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ABSTRACT

What is the current financial condition of Illinois independent colleges and universities? What changes have occurred in the past five years, and what are the prospects for the immediate future? Have independent colleges and universities been able to maintain or improve quality in the past five years? What has been the impact of state programs to assist nonpublic institutions? Should they be modified or expanded? What conditions are necessary to preserve a strong nonpublic sector in Illinois higher education? What are the implications of enrollment and economic trends for independent colleges and universities? What is required to assure that the nonpublic sector is able to continue to provide a high level of service to the people of Illinois? A discussion of these issues is presented along with a brief outline of the role of nonpublic institutions in the total structure of Illinois higher education. The nonpublic higher education system in Illinois is found to be sound. But while public participation in efforts to preserve these institutions is necessary, strong institutional initiative is absolutely essential if institutions are to recover financial stability. (Autho[illegible]E)

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NONPUBLIC HIGHER EDUCATION IN ILLINOIS, prepared for the Nonpublic Advisory Committee

by P.E. Lingenfelter

U.S. DEPARTMENT OF HEALTH,
EDUCATION & WELFARE
NATIONAL INSTITUTE OF
EDUCATION

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State of Illinois
Board of Higher Education

NONPUBLIC HIGHER EDUCATION IN ILLINOIS

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CHAPTER I
SUMMARY OF RECOMMENDATIONS

The following recommendations have been derived from the findings of this study. The supporting evidence and a more extensive rationale for these recommendations are contained in the text.

A. General Program Planning and Coordination

1. The independent colleges and universities in Illinois provide significant public services and deserve full recognition as an integral element of the total higher educational system. To a significant extent this has already been accomplished by existing programs of state support. However, more complete integration of public and nonpublic higher education should be accomplished through the greater involvement of the nonpublic sector in program planning and coordination in future years.
2. The greatest danger to the continuing viability of the nonpublic sector is the potential erosion of its enrollment base as higher education enrollments in Illinois stabilize and, perhaps, decline in the coming decade. An understandable response of public institutions to declining or stable enrollments is to seek additional students by developing new programs and/or offering instruction at new locations. However, such program expansion should not be permitted where it would duplicate services offered by nonpublic institutions. Such duplication would require unnecessary public expenditures and would threaten unnecessarily the financial stability and in some cases the survival of nonpublic institutions.

3. Toward these ends, more formal mechanisms for communicating the program plans and resources of nonpublic institutions to the Board of Higher Education should be developed. These should be used to help assure that new programs in the public and nonpublic sector do not unnecessarily duplicate other programs in either sector and that existing programs most effectively utilize the public resources supplied to them.

B. The Illinois State Scholarship Commission

1. The Illinois State Scholarship Commission (ISSC) should continue to be the principal vehicle of state support for independent colleges and universities. It provides funds in a manner which substantially reduces the cost difference of attending a private rather than a public institution, it provides assistance in proportion to financial need, and it offers the least threat to the independence of the nonpublic sector.
2. The maximum award of the Illinois State Scholarship Commission should increase as inflation forces increases in costs and tuitions, but it should not be set at a level that would provide incentives for unnecessary increases in tuitions at some institutions. An increase to $1,500 for FY1976 as recommended by the Board of Higher Education meets these objectives. In future years increases should occur to maintain the maximum award at a level close to 65% of the weighted average tuition in private institutions.

3. Greater flexibility is needed in the administration of ISSC awards to part-time students and in the awarding of grants to the specific level of need calculated. The ISSC should explore every feasible means of accomplishing these objectives.

C. The Illinois Financial Assistance Act

1. The Illinois Financial Assistance Act should be continued as a direct grant supplement to state assistance through the ISSC. This program has played an important role in improving educational programs in the nonpublic sector.
2. Direct grants should continue to be based upon the undergraduate enrollment of Illinois residents, but grants should be based on full-time equivalent enrollment rather than the enrollment of full-time students.
3. The amount of funds provided through direct state grants has not increased in proportion with inflationary growth during the period FY1972 through FY1975. The change in the formula recommended above and the formula modification passed in 1974 by the General Assembly would require approximately $8.0 million for FY1977. An increase on this scale is clearly warranted by increases in costs since FY1972. In subsequent years the level of individual grants should be permitted to increase in recognition of inflationary cost increases so that this program continues to support a relatively constant proportion of private college and university expenditures.

D. Graduate Education

One of the greatest assets of the nonpublic sector in Illinois is the strength of graduate education and research in the private universities. While an extensive review of graduate education was beyond the scope of this study, there is a clear need for a study which focuses upon graduate education in Illinois. Such a study should consider the implications of national manpower and enrollment projections for Illinois institutions, the impact of federal policies upon research and graduate training, and the strengths and weaknesses of graduate programs in both public and private universities. The objective of this study should be to ascertain the state policies required to assure that: 1) The quality of graduate education in Illinois is maintained. and 2) State policies work to achieve the highest possible benefit from the investment of public funds in graduate education.

E. The Problem of Financially Troubled Institutions

Although on the whole nonpublic institutions in Illinois have been able to adjust to stablized enrollments and increasing costs, eight four-year colleges and one two-year institution appear to be having significant financial difficulties. Four of these institutions show balanced budgets in FY1974 or have significant reserves, but the only reason for optimism concerning the future of the remaining five institutions is the commitment of the religious groups sponsoring them.

State assistance through ISSC and the direct grant program would have to be increased to levels far above the needs of the nonpublic sector as a whole in order to solve the financial difficulties of these institutions. The solution to the specific problems of these institutions must rest primarily in the colleges themselves.

This is not to say, however, that government has no role to play in solving the financial problems of these colleges or that the situation is hopeless. The difficulties of these institutions seem to be rooted in enrollment declines brought on by the decreasing interest in traditional liberal arts curricula and in too low student faculty ratios. Contractual arrangements with public institutions have significantly assisted other liberal arts colleges in this dilemma. Other programs involving contracts with governmental units should be explored, and every effort should be made to modify programs and curricula in ways that will improve efficiency and attract students. While the possibility remains that some of these institutions may not be able to make the adjustments necessary for survival, it should be possible for most of them to recover financial stability within the framework of existing State programs.

CHAPTER II
INTRODUCTION

A. The Need For A Study Of Nonpublic Higher Education

In 1968 Governor Kerner appointed the Commission to Study Nonpublic Higher Education (popularly the McConnell Commission) pursuant to a resolution of the General Assembly. The Commission's report, released in 1969, affirmed the importance of the nonpublic sector to the people of Illinois and urged the State:

1. To establish direct grants to private institutions;
2. To establish a bonding authority to facilitate the financing of capital improvements;
3. To establish contracts for services between the state and private institutions;
4. To support programs of interinstitutional cooperation;
5. To expand the state scholarship and grant program;

[illegible] To establish a management advisory service; and

7. To increase coordination of and cooperation between the public and nonpublic sectors.

During the past five years most of the programs recommended by the McConnell Commission have been implemented, although the General Assembly has not in every case provided funding at the levels proposed by the Commission. In part because the passage of time has provided opportunity to test the impact of these recommendations, and in part because the environment of all higher education has changed significantly since 1970, the

Board of Higher Education made the study of nonpublic higher education a major topic of consideration for Master Plan-Phase IV.

The questions which provided the framework of this study include:

1. What is the current financial condition of Illinois' independent colleges and universities? What changes have occurred in the past five years, and what are the prospects for the immediate future?
2. Have independent colleges and universities been able to maintain or improve quality in the past five years? What are specific areas of strength or weakness?
3. What has been the impact of state programs to assist non-public institutions? Should they be modified or expanded? If so, what changes should be made?
4. What conditions are necessary to preserve a strong non-public sector in Illinois higher education?
5. What are the implications of enrollment and economic trends for independent colleges and universities? What is required to assure that the nonpublic sector is able to continue to provide a high level of service to the people of Illinois?

Each of these questions will be discussed in subsequent sections of this report. Before turning to these specific issues, however, a brief discussion of the role of nonpublic institutions in the total structure of Illinois higher education seems appropriate. The importance of this role relates to both the need for this study and the significance of its findings.

B. "Independent" vs. "Public" Higher Education

Any effort to distinguish sharply between public and independent institutions of higher education founders on their similarities. Both sectors provide educational services to the public, both sectors are subsidized by government, both sectors exercise academic freedom and substantial autonomy, and both sectors are held accountable by lay governing boards and to certain laws established by elected governmental officials. Although certain modes of education occur predominately in one sector or the other, both sectors contain liberal arts colleges, vocational schools, large universities, and research centers of the highest caliber. The only difference which occurs uniformly is that the authority for governing independent [1] institutions is vested in nonpublic boards while public institutions are governed by elected boards or boards appointed by elected officials.

Despite these similarities, neither public institutions nor private institutions are capable of providing the full

[1] For the reasons listed above neither "independent", "private", nor "nonpublic" is a wholly satisfactory adjective to distinguish "independent" institutions from publicly controlled institutions. In this report all three terms are used interchangeably to refer to non-profit higher educational institutions governed by privately appointed boards of trustees.

range of services provided by both sectors together. Institutions in both sectors have years of experience in developing programs to serve the specific needs of their constituents. Public and nonpublic institutions have expanded educational opportunities and served the particular educational needs of various regions of the state. Public and nonpublic institutions have served minority groups, increased the supply of health professionals, and provided valuable research and consulting functions for government, business, and industry. While contributing to these objectives, nonpublic colleges have also provided unique programs in the liberal arts and other areas and offered services to religious and cultural groups which are not duplicated in the public sector. Together both sectors provide educational opportunities to the public more diverse and more comprehensive than either sector could provide alone.

For these reasons, it is not fully appropriate to speak of independent vs. public higher education. The diversity which is found within the totality of the dual system provides important benefits to the people of Illinois; both sectors must remain viable in order to preserve the range of services provided. A long list of the particular contributions of Illinois independent colleges and universities could easily be compiled for a report such as this, but a detailed list is not necessary to demonstrate the importance of private higher education's contribution to the people of Illinois. It is sufficient to mention that the alumni of private institutions have distinguished themselves in government, business, and the professions, that private institutions enroll nearly 100,000 full-time equivalent students and award approximately 27,000 degrees annually, that private institutions contribute significantly to cultural and civic affairs in many Illinois communities, and that the hundreds of millions of dollars spent for private higher education contribute significantly to the economic life of the state.

Table II.1 displays summary of data for all Illinois higher education which demonstrate the scale and significance of the nonpublic sector. This table reveals that in 1974 private institutions awarded one-third of the bachelor's degrees, two-fifths of the masters degrees, one-half of the doctoral degrees, and three-fourths of the professional degrees awarded in Illinois. Clearly it is in the best educational and economic interests of the people of Illinois to provide adequate support to preserve the vitality of nonpublic as well as public institutions of higher education.

Two quotations from the McConnell Commission report still serve to emphasize the unity of the dual system. David D. Henry, then President of the University of Illinois commented:

> "Over and above the divisiveness that some would create, I believe profoundly and always have, all of my professional life that no state can have a strong system of higher education unless all of its parts are bound together. There is a unity in the welfare of higher education that will not tolerate any segment to be weak and another strong, particularly as we look to the future of our institutions and the critical problems in connection with finance. We must find ways and means of strengthening all institutions."

Table II.1

Demographic Characteristics of Illinois Higher Education, FY1974

	Public Univer-sities	Public Community Colleges	Total Public Sector	Private Univer-sities	Private Four Year Colleges	Private Two Year Colleges	Other Private Insti-tutions	Total Private Sector	Total Public and Private	Private Sector % of Total
Number of Campuses	13	48	61	10	37	8	19	70	131	53.44
Headcount Enrollment	180,778	226,211	406,989	72,849	40,268	7,129	12,689	132,935	539,924	24.62
Illinois Residents Enrolled	171,291	224,038	396,129	65,567(E)	32,610(E)	5,904	6,919(E)	111,000(E)	507,129(E)	21.89
Full-Time Equivalent Enrollment	155,638	114,229	269,867	57,385	33,256	5,615	11,122	107,378	377,245	28.46
Associated Degrees Conferred	499	16,375	16,874	147	34	717	75	973	17,847	5.45
Baccalaureate Degrees Conferred	31,192	0	31,192	8,281	7,153	0	474	15,908	47,100	33.77
Master Degrees Conferred	9,547	0	9,547	5,510	748	0	114	6,372	15,919	40.03
Professional Degrees Conferred	636	0	636	1,617	11	0	632	2,260	2,896	78.04
Doctoral Degrees Conferred	1,103	0	1,103	1,015	0	0	7	1,022	2,125	48.09
Current Expenditures FY1974 (in thousands of dollars)	$621,002	$214,550	$835,552	$526,432	$118,415	$14,364	$108,705	$767,916	$1,698,386	45.21

Notes: Theological institutions are excluded.

Enrollment Data is total degree credit in the Fall 1973 term.

Sources: IBHE Data Book
USOE Higher Education General Information Survey

(E) Estimated Data

Talman Van Arsdale, Jr., then President of Bradley University and the Federation of Independent Illinois Colleges and Universities observed:

> "There is no evident divisiveness between public and nonpublic higher education in Illinois, nor should there be. Institutions comprising each of these sectors are, and must continue to be, integral parts of the system of higher education in our State. To impair either or both would be to impair the future of our citizens and the prosperity of the State. Working together, the public and nonpublic institutions will continue to be institutions of progressively better quality and, above all, the resources for making Illinois a major contributor to the welfare of the nation."

CHAPTER III

THE FINANCIAL CONDITION OF NONPUBLIC INSTITUTIONS OF HIGHER EDUCATION

The financial health of a college or university cannot be assessed merely by scanning the balance sheet, however important the current fund balance may be. Cheit (1973 and 1971), Wynn (1974), and others have appropriately called attention to the dangers of quality erosion even when an institution is able to maintain a balanced budget. An institution with severe financial problems may achieve a budgetary balance at the expense of reducing the quality of instruction, physical plant maintenance, or instructional facilities. Therefore, while this portion of the report will concentrate on an analysis of both the net operating balances experienced by Illinois private institutions and their nongovernmental sources of revenue, the following chapter will examine expenditure patterns over time and various indicators of quality in order to determine the extent to which financial constraints may have caused institutions to sacrifice quality for the sake of short-term solvency.

A. Operating Balances, FY1970 to FY1974

One of the major conclusions of the McConnell Commission Report was "most private institutions face the prospect of debilitating deficits within a very few years." The Commission recommended increased state assistance to private higher education in order to avert such deficits. An analysis of financial reports for fiscal years 1970 through 1974 shows that deficit spending did occur for the non-public sector as a whole during fiscal years 1970 to 1971 but the trend reversed in fiscal year 1972.

Table III.1 displays Educational and General Revenues and Expenditures, Current Fund Revenues and Expenditures, and fund balances for nonpublic institutions during this five year period.[1]

It is apparent from this table that on the whole the nonpublic sector in Illinois has been able to maintain a balanced budget during the past five fiscal years. Losses sustained during the early years of this period have been recouped, and a modest cumulative surplus has been achieved. This finding, of course, does not reveal the budgetary balances of individual institutions, nor does it explain whether the modest surplus was obtained through increased revenues, improved productivity and cost control, or the sacrifice of quality or needed services.

The budgetary balances of individual institutions obviously will vary considerably from year to year. External factors affecting financial health have an uneven impact on different institutions, and basically healthy institutions may vary in their ability to adjust rapidly to changing conditions.

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[1] This table and most of the subsequent analysis reported in this study does not include nonpublic professional schools or special purpose institutions. The free standing professional schools were generally not included in this study because they have been treated separately in other segments of Master Plan-Phase IV. Special purpose institutions were included, but since the data pertaining to these institutions are often incomplete they are not included in most reports. Appendix A contains a list of all nonpublic institutions by category.

Table III. 1

Aggregated Revenues and Expenditures for Illinois Independent Colleges and Universities, FY1970 to FY1974 (in thousands of dollars)

	FY1970	FY1971	FY1972	FY1973	FY1974	FY1970-FY1974
Education and General Revenues						
Universities	$271,999.6	$293,902.4	$316,232.7	$337,206.7	$304,110.7**	$1,523,452.2
Four-Year Colleges	67,151.1	70,653.6	83,355.8	87,053.5	89,461.2	397,675.2
Two-Year Colleges	7,473.7	9,214.8	11,287.8	11,368.9	12,214.5	51,559.7
Total	$346,624.4	$373,770.8	$410,876.3	$435,629.1	$405,786.4**	$1,972,687.1
Educational and General Expenditures						
Universities	$256,857.8	$280,735.1	$281,666.7	$320,333.8	$287,041.4**	$1,426,634.8
Four-Year Colleges	65,823.7	71,562.4	76,391.8	88,087.2	82,706.3	376,571.4
Two-Year Colleges	7,950.4	8,847.0	10,949.3	10,321.6	11,442.4	49,510.7
Total	$330,631.8	$361,144.5	$369,007.8	$418,742.6	$381,190.1**	$1,852,715.9
Balance Educ. & Gen'l Funds*						
Universities	$ 15,141.9	$ 13,167.3	$ 34,566.0	$ 16,873.0	$ 17,069.4	$ 96,817.6
Four-Year Colleges	1,327.4	(908.8)	6,964.1	6,966.3	6,754.9	23,103.8
Two-Year Colleges	(476.7)	367.8	338.5	1,047.3	772.1	2,049.0
Total	$ 15,992.6	$ 12,626.3	$ 41,868.5	$ 24,886.5	$ 24,596.4	$ 119,970.4
Total Current Revenues						
Universities	$415,344.3	$442,996.7	$484,201.8	$502,919.1	$529,152.3	$2,374,614.2
Four-Year Colleges	97,477.3	102,431.3	115,541.9	118,708.9	119,982.4	549,730.4
Two-Year Colleges	9,178.8	11,051.8	13,702.3	13,470.0	14,789.5	62,192.4
Total	$522,000.4	$556,479.8	$613,446.0	$635,098.0	$663,924.2	$2,986,537.0
Total Current Expenditures						
Universities	$414,951.1	$444,395.2	$481,480.4	$501,045.2	$526,432.3	$2,368,295.3
Four-Year Colleges	98,610.1	105,157.6	112,495.7	115,202.8	118,415.1	549,881.1
Two-Year Colleges	10,021.0	10,887.2	13,298.6	12,745.4	14,364.3	61,316.5
Total	$523,582.2	$560,434.0	$607,274.5	$628,993.4	$659,211.7	$2,979,492.9
Balance All Current Funds*						
Universities	$ 393.3	$ (1,399.6)	$ 2,721.4	$ 1,873.9	$ 2,720.0	$ 6,310.0
Four-Year Colleges	(1,132.8)	(1,453.0)	3,046.5	3,506.0	1,567.3	5,171.8
Two-Year Colleges	(842.1)	164.8	403.7	724.6	425.2	876.0
Total	$ (1,581.6)	$ (2,896.8)	$ 6,171.5	$ 6,104.6	$ 4,712.5	$ 12,357.8

*May not balance perfectly due to rounding.

**The apparent decline in Educational and General Revenues for universities in FY1974 results from a shift in the accounting of some $47 million in hospital operations at the University of Chicago. These totals should be in-

For these reasons, looking at individual years separately cannot provide a full view of an institution's financial stability. Table III.2 shows the fund balances for FY1974 and the cumulative balances (FY1970-FY1974) of individual institutions in both total current funds and the educational and general category. This table reveals that balanced budgets are unevenly distributed through the nonpublic sector. Some institutions have not recovered completely from earlier deficits, and others are continuing to experience deficits. While the bulk of the independent colleges and universities seem to be holding their own, there is sufficient evidence of financial distress in some institutions to warrant concern for their continued viability. Institutions with a cumulative deficit over the five year period which exceeds five percent of their FY1974 revenues (an average deficit of more than 1% per year) will receive particular attention throughout the remaining portions of this study. Eight four-year colleges and one two-year college meet this criterion of financial difficulty. One of these nine had a substantial surplus in FY1974 and one had a balanced budget in FY1974, but the remaining seven showed deficits in FY1974.

B. Sources of Revenue, FY1970 to FY1974

Table III.3 reveals the major sources of educational and general revenues for nonpublic institutions as a whole during the past five years. Tuition is the principal source of revenue for virtually all four-year and two-year colleges, a

TABLE III.2

FUND BALANCES FOR ILLINOIS NONPUBLIC INSTITUTIONS FY1974 and FY1970-FY1974

	FY1974 Balance		Cumulative FY1970-FY1974 Balance	
Universities	Educ. & Gen'l	All Current Funds	Educ. & Gen'l	All Current Funds
Bradley University	$ 597,800	$ - 103,000	$ 4,336,401	$ 597,513
DePaul University	787,191	145,151	5,860,565	234,500
Illinois Inst. Technology	702,590	20,265	2,602,671	100,566
Illinois Wesleyan University	569,007	11,512	5,768,053	677,704
Lewis University	551,509	803,469	1,740,041	2,519,889
Loyola University	2,277,825	1,551,604	9,385,802	1,348,499
Millikin University	881,783	129,696	2,987,260	829,808
Northwestern University	5,188,550	135,280	1,784,887	-1,227,137
Roosevelt University	657,000	26,000	3,375,611	1,786,094
University of Chicago	4,346,015	-0-	20,184,287	-0-
Colleges				
Augustana College	407,935	5,916	1,842,920	73,046
Aurora College	70,224	-0-	72,024	-217,364*
Barat College	-319,160	-334,498	-2,136,415	-1,401,895*
Blackburn College	286,410	1,286	823,988	119,368
College of St. Francis	- 40,046	-138,802	-503,913	-503,913*
Columbia College	64,726	21,611	555,758	
Concordia Teachers College	- 13,098	177,209	-264,057	414,943
Elmhurst College	525,863	110,004	1,243,887	- 20,543
Eureka College	184,352	109,559	352,727	369,015
George Williams College	508,002	644,237	1,645,806	1,733,977
Greenville College	69,461	- 58,637	193,414	348,979
Illinois College	- 28,068	- 54,313	851,453	845,997
Judson College	195,253	75,135	710,747	469,472
Knox College	595,255	- 76,393	1,582,259	-708,936*
Lake Forest College	500,084	108,930	1,721,197	-185,873
MacMurray College	240,198	3,582	1,173,565	135,627
McKendree College	328,219	179,131	691,109	413,792
Monmouth College	310,661	- 97,533	1,529,176	-439,642*

TABLE III.2 (continued)

Colleges (continued)	FY1974 Balance Educ. & Gen'l	FY1974 Balance All Current Funds	Cumulative FY1970-FY1974 Balance Educ. & Gen'l	Cumulative FY1970-FY1974 Balance All Current Funds
Mundelein College	294,475	-111,296	783,691	-817,589*
National College of Education				
Main Campus	224,839	- 54,391	517,633	- 28,368
North Central College	167,661	56,468	377,909	-174,760
North Park College	497,706	79,830	2,340,850	951,854
Olivet Nazarene College	77,552	23,189	422,329	237,386
Quincy College	475,682	420,663	3,095,185	2,088,215
Rosary College	165,871	6,170	604,628	- 98,692
Shimer College	253,580	218,172	136,602	200,277
Illinois Benedictine College	-135,496	18,376	-266,405	333,014
St. Xavier College	422,913	171,268	434,760	-470,395*
Trinity Christian College	50,409	- 46,525	402,932	-117,092*
Trinity College	95,304	5,645	133,743	215,306
Wheaton College	131,095	15,275	1,681,851	477,465
Two-Year Colleges				
Central YMCA Cmty College	281,030	- 4,433	491,914	-348,812
Felician College	29,671	59,739	- 29,165	2,691
Kendall College	335,451	296,768	1,688,349	989,679
Lincoln College	154,345	69,777	370,831	107,555
Mallinckrodt College	13,800	18,141	186,876	195,594
MacCormac College	- 5,105	773	-104,836	119,375
Springfield College in Ill.	- 42,201	- 54,795	-560,053	-223,973*

* Deficit equals or exceeds 5% of FY1974 revenues.

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Table III.3

Primary Sources of Education and General Revenue, Illinois Private Institutions

	FY1970 Revenue	FY1970 % of Total	FY1971 Revenue	FY1971 % of Total	FY1972 Revenue	FY1972 % of Total	FY1973 Revenue	FY1973 % of Total	FY1974 Revenue	FY1974 % of Total
Tuition										
Universities	101,302.1	37.2	113,271.5	38.5	123,184.5	39.0	131,923.0	39.1	139,227.7	45.8
Four-Year Colleges	48,300.7	71.9	52,031.3	73.6	59,013.2	70.8	61,559.9	70.7	64,089.9	71.6
Two-Year Colleges	5,483.9	73.4	6,406.5	69.5	6,876.3	60.9	7,024.8	61.8	7,173.9	58.7
Private Gifts										
Universities	28,183.8	10.4	22,861.8	7.8	24,914.7	7.9	20,559.5	6.1	19,596.7	6.4
Four-Year Colleges	11,294.2	16.8	14,285.0	20.2	17,176.2	20.6	17,434.2	20.0	15,420.3	17.3
Two-Year Colleges	777.1	10.4	803.4	8.7	1,643.3	14.6	1,954.7	17.2	1,538.8	12.6
Endowment										
Universities	20,129.2	7.4	23,605.2	8.0	23,833.6	7.5	28,791.1	8.5	29,848.0	9.8
Four-Year Colleges	2,860.0	4.3	2,609.8	3.7	2,677.6	3.2	2,871.8	3.3	3,036.2	3.4
Two-Year Colleges	121.0	1.6	81.0	.9	120.5	.1	165.0	1.5	485.7	4.0
State Grants*										
Universities	235.0	.1	356.0	.1	4,193.0	1.3	4,338.0	1.3	4,800.0	1.6
Four-Year Colleges	0.0	-	0.0	-	2,197.0	2.6	2,476.0	2.8	2,438.0	2.7
Two-Year Colleges	0.0	-	0.0	-	350.0	3.1	345.0	3.0	508.0	4.2
Federal Grants**										
Universities	127.7	.1	2,348.3	.8	2,298.1	.7	2,501.0	.7	4,351.0	1.4
Four-Year Colleges	426.4	.6	327.7	.5	524.6	.6	587.5	.7	751.1	.8
Two-Year Colleges	25.3	.3	13.8	.2	.5	-	16.4	.1	0.0	-
Sponsored Research and Programs***										
Universities	75,743.3	27.9	74,466.4	25.3	77,874.4	24.6	83,957.2	24.9	72,916.2	24.0
Four-Year Colleges	2,989.8	4.5	1,333.4	1.9	1,194.8	1.4	1,051.2	1.2	1,816.6	2.0
Two-Year Colleges	928.7	12.4	1,795.0	19.5	2,008.0	17.8	1,791.8	15.8	2,363.7	19.4

*State grant revenue includes only direct operating grants for health and direct grants through the Illinois Financial Assistance Act.

**Federal grants are those funds reported as direct federal appropriations; this does not include financial aid funds or sponsored research or programs.

***Most sponsored research and programs are federally funded.

fact which is confirmed by the data reported in Table III.3. Tuition similarly accounts for more than half the revenues of most nonpublic universities, but the revenues from sponsored research and endowment funds at Northwestern University, the Illinois Institute of Technology (IIT) and the University of Chicago distort the data in that category.

Over time revenue growth has been reasonably stable in each category, but there have been some changes worth mentioning. (It would be stretching the evidence to call any of these changes "trends".) Tuition has contributed close to 70% of the revenue for four-year colleges over the entire period, but its share of all revenues has declined in two-year institutions and increased in the universities. In both cases, this effect may be attributed to changes in large institutions which dominate their respective categories. The growth in the proportion of revenue from tuition for FY1974 in private universities is primarily an illusion created by a shift in the accounting of $47 million in hospital revenues at the University of Chicago. If that amount is included in the FY1974 Education and General Revenues, tuition accounts for 39.7% in FY1974, much as it did in earlier years. A decline of $11 million in sponsored research revenues in private institutions also contributed to the growth of tuition's percentage share. Similarly, the decrease in the proportion of tuition revenue in two-year institutions is largely attributable to the growth of non-tuition revenues at the largest two-year institution, Central YMCA Community College.

Revenue from private gifts during this period has increased in four-year colleges, but gift revenue seems to fluctuate somewhat from year to year. In the private universities aggregated gift income for current operations decreased $8.6 million from FY1970 to FY1974. During this same period, endowment income for current operations grew $9.7 million. These apparent changes may be caused primarily by shifts in the investment management policies of the University of Chicago and Northwestern University rather than a fundamental shift in the availability of private gift revenue. Endowment revenues will be considered at greater length in a later portion of the report.

Direct grants from both the State and the federal government accounted for an increasing though still small share of institutional revenues during this period. In both State and federal programs of assistance to nonpublic institutions subsidies _via_ students have grown more than direct grant programs. State governmental programs of assistance to nonpublic institutions in Illinois will be discussed at length in Chapter V.

Sponsored research and other sponsored programs account for a significant portion of the revenues of private universities and (due to Central YMCA Community College) two-year institutions. The decline in sponsored research funds at the major private universities in FY1974 is consistent with a national trend affecting most research institutions. To an extent these "self-supporting" sponsored programs contribute to the financial support of graduate students and to the diversity, quality, and size of academic departments. At this juncture, however, this seems to be a national, rather than a state policy issue.

C. The Role of Tuition Charges and the Illinois State Scholarship Commission

The role of tuition charges in the financing of higher education has received widespread attention both nationally and in Illinois. The importance of tuition charges in the revenue stream of Illinois' nonpublic institutions and the importance of tuition as a policy issue in its own right warrant more than passing attention.

Three issues lie at the center of the debate over tuition:

1. What portion of the cost of higher education should be borne by the student and his family and what portion should come from society at large?
2. If there is to be a public "contribution" to higher education, in what form should the subsidy be provided?
3. To what extent should the price to the student be equalized among various institutions and types of institutions?

The complexity of these straight-forward questions is readily apparent from a brief review of the literature on tuition. (_Higher Education: Who Pays? Who Benefits? Who Should Pay?_ Carnegie Commission, McGraw Hill, 1973; _The Management and Financing of Colleges_, Committee for Economic Development, 1973; and other references listed in the above books.)

Full-cost, zero-tuition, and partial cost plans have been proposed, as well as direct appropriation programs, student loan programs, and various voucher programs. Although most agree in principle that students should have at least relative freedom from price considerations when choosing a specific college, agreement on a specific plan to accomplish that objective is not so easily obtained.

The Illinois Board of Higher Education's Committee on Tuition and Other Student Costs dealt at length with these questions as they pertain to public universities. The Committee re-affirmed the Illinois Board of Higher Education policy that undergraduate tuition charges in public universities be set at one-third of instructional cost. Since current tuition charges are below that standard, the Committee recommended a plan for fully implementing the one-third policy by 1980. As an important part of their proposal, the Committee recommended increased financial aid for the needy students to offset the higher tuition charges.

It seems more productive in this study to focus strictly on tuition charges at private institutions and the relationship between tuition in both sectors, rather than repeating that committee's consideration of the broad issues of student contributions vs. public contribution. The central questions to be considered here are:

1. What is the extent of the price differential to the student between a nonpublic and a public institution?

2. What is the impact of this price differential on student choice?
3. What is the best means of providing full opportunity and the greatest possible freedom of choice to the student among different types of colleges and universities?
4. What are the implications of tuition policies and tuition subsidy policies for the financial well-being of nonpublic institutions?

The price differential between attending one institution or another can only be assessed by considering the total cost to the student less any financial aid he or she may obtain. Total student cost consists of tuition and fee charges, living expenses, and incidental expenses for books and other educational materials. The opportunity costs of income forgone also are "paid" by the student, but since these are equal in all sectors they will not be considered here.

Table III.4 displays the growth in total student cost* and in tuition alone in Illinois institutions for FY1970, FY1971, and FY1975. This table shows that prices have risen sharply in all sectors during this period and that total student costs in the nonpublic sector are approximately $1,400 higher than in public universities, and $1,700 higher than in public community colleges.

Several studies (e.g., A National Policy for Private Higher Education, Association of American Colleges, 1974, Report and Recommendations of the Sub-Committee on Private

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*"Student Cost" is used to denote price to the student not total operating costs per student.

Table III.4

Estimated Average Price to the Student by Sector for FY1970, FY1971, and FY1975

	Tuition and Fees (Weighted Average)		Other College Costs		Total College Costs	
Private Institutions						
1969-70	1572		1675		3247	
1970-71	1762	(12.1)	1725	(3.0)	3487	(7.4)
1974-75	2033	(29.3)	1868	(11.5)	3901	(20.1)
Public Universities						
1969-70	344		1675		2019	
1970-71	434	(26.2)	1725	(3.0)	2159	(6.9)
1974-75	612	(77.9)	1898	(13.3)	2510	(24.3)
Public Community Colleges						
1969-70	173		1675		1848	
1970-71	201	(16.2)	1725	(3.0)	1926	(4.2)
1974-75	331	(91.3)	1850	(10.5)	2181	(18.0)

Numbers in ( ) reflect cumulative percentage increase from a base year of 1969-70.

SOURCE: Illinois State Scholarship Commission Staff

Colleges and Universities, Illinois General Assembly, 1975) have referred to this price differential as the "tuition gap." Some have argued that in a time of high inflation equal percentage increases in tuition in the public and private sector will cause the size of the gap in student cost to increase to the extent that private institutions will lose all ability to compete with lower priced public institutions.

While there is a clear need to avoid pricing private institutions out of effective competition for students, the "tuition gap" argument must be considered in light of two points often overlooked. First, while equal percentage increases for inflation in both sectors will increase the absolute size of the difference in total student cost, the relative cost to the student as a percentage of his or her family's personal income will remain approximately the same assuming (as is usually the case) personal income is growing at the approximate rate of price inflation. For example, a price differential of $1,400 would equal 7% of a family income of $20,000. When an inflationary rate of 10% is applied to the cost of attending a public institution and a private institution the price differential increases to $1,540. But when the same 10% inflationary rate is applied to personal income, the $1,540 price differential still equals 7% of the annual family income.

The second point which is important to a full understanding of the price differential issue is the amount of financial aid which is available to lower the effective price of education to the student. While the central function of the Illinois State Scholarship program is clearly to aid needy students, an important ancillary function of ISSC awards and other student aid programs is to reduce the effective price differential between public and nonpublic institutions. While there has been some variance from year to year, the Illinois State Scholarship Commission has attempted to set the maximum ISSC tuition grant at a level equaling 65% of the weighted average tuition at private institutions. This level ($1,350 for FY1975 and recommended at $1,500 for FY1976) is significantly higher than tuition charges at public institutions. Consequently, students in nonpublic institutions receive 60% of the total grant budget, even though they account for only 40% of the total number of awards.

The data on Tables III.5, III.6, and III.7 help provide perspective on the effect of Illinois State Scholarship Commission awards upon the price differential between public and nonpublic institutions. Table III.5 shows the number and percentage of award applicants and winners when compared to the total undergraduate FTE enrollment and the FTE enrollment of Illinois residents. The average ISSC award for FY1975 to students in nonpublic senior institutions was $1,167 and the average award to students in two-year institutions was $841.

Table III.5

ISSC Application and Award Data for Nonpublic Institutions* in Illinois, 1974-75

Total Undergraduate FTE Enrollment	70,223
Illinois Resident Undergraduate FTE Enrollment	52,378 (E)
% of Total FTE	(74.6%)
Number of ISSC Applicants	39,380
% of Illinois Residents FTE	(75.2%)
Number of ISSC Awardees	34,723
% of Illinois Residents FTE	(66.3%)
% of Applicants	(88.2%)
Mean Family Income of Applicants:	
2-Year Colleges	$13,381
Senior Institutions	$16,211
Mean Family Income of Awardees:	
2-Year Colleges	$11,865
Senior Institutions	$14,877
Mean Family Income of Applicants Without Financial Need:	
2-Year Colleges	$22,911
Senior Institutions	$24,024

*Excludes Schools of Nursing and Professional Schools

SOURCES: ISSC Annual Report, April 1975
IBHE Files for Illinois Residents Enrolled

(E) Estimated

Table III.6 contains significant data concerning the family income of ISSC applicants and award winners in public and private institutions.[1] This table reveals that ISSC awards significantly reduce the price of attending a non-public institution for students in the middle and upper middle as well as the lower income ranges. Public college applicants with a family income between $15,000 and $16,000 have a 50% chance of receiving an ISSC award. Private college applicants with a family income between $23,000 and $24,000 have a 50% chance of receiving an award. Fourteen percent (14%) of all private college applicants had family incomes over $20,000 and 49% of these applicants received awards.

Table III.7 shows the average unmet need for ISSC award winners in both public and private institutions. The analysis of "unmet need" takes into account all college costs and all sources of financial aid: family, ISSC awards, personal income, federal grants and loans,[2] private scholarships, and others.

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[1] While it is not possible to generalize about undergraduate students who did not apply for ISSC aid from this table, the ISSC applicants represent about 75% of Illinois resident undergraduates in private institutions and about 45% of Illinois resident undergraduates at public universities.

[2] Federal student aid programs are not a major focus of this study, but they play a significant role in helping students meet non-tuition costs in both public and nonpublic institutions. In FY1974 federal student assistance programs provided over $29.5 million to students in the nonpublic institutions responding to the questionnaire used in this study. Federal sources, particularly the basic grant program, should continue to be the major source of aid for non-tuition expenses. Appendix C contains a detailed summary of federally funded student aid.

TABLE III.6

PARENTAL/APPLICANT INCOME RANGES, 1974-75 ANNOUNCED WINNERS - MAXIMUM AND PARTIAL AWARDS
(WITH ILLINOIS COLLEGE CHOICE ON RECORD AS OF 3/27/75)

Income Ranges (Dollars)	Cumulative Percentage of All Reported Income					At Public Colleges			At Private Colleges			At All Colleges			Mean ISSC Awar	
	All	Pub.Sr.	Pub.Com.	Priv.Jr.	Priv.Sr.	Number Winners	Number Applicants	%age Winners	Number Winners	Number Applicants	%age Winners	Number Winners	Number Applicants	%age Winners	At Publ.	At Priv.
0- 999	10.02	9.36	15.34	29.97	6.05	8,567	8,732	98.1	3,329	3,359	99.1	11,896	12,091	98.4	$416	$1,29
1,000- 1,999	12.83	11.58	20.57	37.64	7.71	2,438	2,460	99.1	926	928	99.8	3,364	3,388	99.3	38[illegible]	1,28
2,000- 2,999	15.18	13.75	24.06	41.86	9.40	1,982	2,007	98.8	822	826	99.5	2,804	2,833	99.0	431	1,28
3,000- 3,999	20.23	18.27	32.24	52.36	12.75	4,326	4,408	98.1	1,684	1,692	99.5	6,010	6,100	98.5	411	1,23
4,000- 4,999	23.27	21.28	36.25	56.60	15.10	2,476	2,579	96.0	1,076	1,079	99.7	3,552	3,658	97.1	440	1,28
5,000- 5,999	26.79	24.70	40.67	60.50	18.20	2,759	2,901	95.1	1,344	1,352	99.4	4,103	4,253	96.5	457	1,28
6,000- 6,999	30.74	28.76	45.33	64.56	21.53	3,102	3,296	94.1	1,453	1,471	98.8	4,555	4,767	95.6	471	1,27
7,000- 7,999	34.97	33.12	50.08	68.36	25.31	3,256	3,476	93.7	1,601	1,621	[illegible]	4,857	5,097	95.3	481	1,28
8,000- 8,999	39.59	37.88	54.94	71.95	29.73	3,482	3,712	93.8	1,847	1,862	99.2	5,329	5,574	95.6	493	1,27
9,000- 9,999	44.41	43.05	59.65	74.94	34.34	3,618	3,899	92.8	1,881	1,926	97.7	5,499	5,825	94.4	501	1,25
10,000-10,999	49.77	48.07	64.61	77.92	39.01	3,551	3,878	91.6	1,927	1,976	97.5	5,478	5,854	93.6	493	1,25
11,000-11,999	54.64	53.74	69.88	80.75	44.23	3,816	4,301	88.7	2,110	2,189	96.4	5,926	6,490	91.3	481	1,2
12,000-12,999	59.96	59.20	74.85	83.52	49.73	3,395	[illegible]	82.6	2,206	2,298	96.0	56.01	6,407	87.4	471	1,2
13,000-13,999	65.28	64.74	79.50	85.91	55.44	2,993	4,078	73.4	2,192	2,345	93.5	5,185	6,423	80.7	456	1,1
14,000-14,999	70.61	70.34	83.52	88.43	61.47	2,469	3,954	62.4	2,283	2,478	92.1	4,752	6,432	73.9	443	1,1
15,000-15,999	75.31	75.22	86.96	90.63	66.84	1,820	3,431	53.0	1,988	2,234	89.0	3,808	5,665	67.2	430	1,11
16,000-16,999	79.66	79.56	90.02	92.39	72.25	1,393	3,050	45.7	1,852	2,205	85.8	3,285	5,255	62.5	429	1,06
17,000-17,999	83.60	83.60	92.48	94.06	77.16	1,072	2,745	39.1	1,640	2,014	81.4	2,712	4,759	57.0	423	1,02
18,000-18,999	86.83	86.90	94.33	95.09	81.31	680	2,203	30.9	1,293	1,688	76.6	1,973	3,891	50.7	438	96
19,000-19,999	89.60	89.67	95.77	96.38	85.03	484	1,819	26.6	1,054	1,521	69.3	1,538	3,340	46.0	447	97
20,000-20,999	91.80	91.95	96.77	97.30	87.99	342	1,455	23.5	786	1,201	65.4	1,128	2,656	42.5	420	95
21,000-21,999	93.49	93.63	97.47	97.83	90.45	197	1,056	18.7	606	988	61.3	803	2,044	39.3	434	94
22,000-22,999	94.87	94.98	98.04	98.18	92.44	140	859	16.3	442	800	55.3	582	1,659	35.1	419	95
23,000-23,999	95.95	96.11	98.41	98.40	94.00	103	687	15.0	306	622	49.2	409	1,309	31.2	391	91
24,000-24,999	96.77	96.88	98.71	98.68	95.21	47	481	9.8	230	505	45.5	277	986	28.1	329	95
25,000-25,999	97.41	97.47	98.90	98.90	96.25	39	362	10.8	173	411	42.1	212	773	27.4	383	96
26,000-26,999	97.90	97.92	99.01	99.18	97.07	18	262	6.9	144	333	43.2	162	595	27.2	319	93
27,000-27,999	98.25	98.25	99.18	99.28	97.57	13	219	5.9	68	197	34.5	81	416	19.5	330	89
28,000-28,999	98.55	98.56	99.29	99.37	98.01	4	191	2.1	49	171	28.7	53	362	14.6	230	92
29,000-up	100.00	100.00	100.00	100.00	100.00	7	937	.7	151	813	18.6	158	1,750	9.0	300	84
Totals	120,652	52,929	24,618	3,180	26,46[illegible]	58,589	77,547	75.6	37,503	43,105	87.0	96,092	120,652	79.6	450	1,18
Mean Income		$14,951	$13,462	$13,381	$16,211	$11,915	$14,486		$14,623	$15,987.		$12,971	$15,022			
Mean Income, No Need Applicants		$20,483	$18,598	$22,911	$24,024	$20,095			$23,976			$20,771				

*25.1% of all the applicants in this table were considered emancipated from parents, and income shown is that of applicant (and spouse, if married)

- Source: ISSC Report, April 1975.

Table III.7

Announced ISSC Award Winners' Mean Unmet Costs By Type Institution

	1971-72	1973-74	1974-75
Public Community	$ 791	$ 904	$ 880
Public Senior	$ 697	$ 696	$ 664
Private Junior	$ 896	$ 819	$ 790
Private Senior	$ 855	$ 878	$ 881
Professional	$ 894	$ 812	$ 790

SOURCE: ISSC Report, April 1975

The "unmet need" is the portion of college costs not covered by the students personal resources and financial aid. Since this table includes only announced award winners it does not reflect the price differential between public and nonpublic institutions for students without financial need. However, as shown on Table III.5, two thirds of the FTE Illinois residents attending nonpublic institutions qualify for financial assistance through ISSC. For needy students the average price gap between public and nonpublic senior institutions has ranged from approximately $150 to $200, rather than the $1,400 found when the gap is not adjusted for available financial aid.

Table III.8 shows the portion of total tuition revenues supported by ISSC at nonpublic institutions over the period 1970 to 1974. This table shows that the "typical" nonpublic institution in Illinois receives about 20% of its tuition revenues from state government through ISSC. Although tuition charges have increased sharply over this period, the general trend is for ISSC awards to support an increasing share of all tuition revenues at nonpublic institutions.

Although the foregoing demonstrates that in Illinois the price gap between the cost of attending a public vs. attending a nonpublic institution is relatively small for students with financial need, the impact of higher costs on the college choice of students without financial need must also be assessed. Since a number of factors other than price influence the choice of a college it is difficult to isolate the effects of price alone.

TABLE III.8

PERCENTAGE OF TUITION REVENUE SUPPORTED BY ILLINOIS STATE SCHOLARSHIP COMMISSION IN NONPUBLIC INSTITUTIONS FY1970 TO FY1974

INSTITUTION NAME	ISSC AWARDS % OF FY1970 TUITION	ISSC AWARDS % OF FY1971 TUITION	ISSC AWARDS % OF FY1972 TUITION	ISSC AWARDS % OF FY1973 TUITION	ISSC AWARDS % OF FY1974 TUITION
Bradley University	14.77	14.92	17.30	19.39	19.19
DePaul University	19.44	21.79	20.74	24.48	22.11
Illinois Inst. Technology	12.00	10.96	10.86	10.29	10.65
Ill. Wesleyan University	20.83	20.47	24.32	23.84	23.85
Lewis College	25.90	24.04	25.05	30.80	31.41
Loyola University	17.53	16.38	16.36	16.39	16.28
Millikin University	21.35	21.06	21.00	22.41	23.55
Northwestern University	3.92	3.74	3.88	4.06	3.91
Roosevelt University	10.97	15.62	16.33	20.43	20.27
University of Chicago	1.72	1.61	1.46	1.56	1.63
Average Percentage for Universities	14.24	15.05	15.73	17.37	17.28
Augustana College	25.84	24.66	24.59	26.83	27.43
Aurora College	21.87	22.34	23.92	27.10	26.45
Barat College	15.30	20.92	20.86	21.59	17.40
Blackburn College	43.31	41.99	35.34	34.53	36.23
College of Saint Francis	27.48	27.35	26.82	24.31	24.19
Columbia College	7.63	14.34	13.98	25.56	29.91
Concordia Teachers College	6.61	5.41	5.56	8.96	9.75
Elmhurst College	11.59	15.14	15.55	20.77	22.71
Eureka College	23.22	24.71	28.77	30.00	34.27
George Williams College	14.03	14.73	15.10	16.53	17.43
Greenville College	26.72	26.53	24.46	25.36	23.55
Illinois College	39.34	37.78	31.59	32.60	29.24
Judson College	12.90	14.18	16.38	17.01	20.23
Knox College	16.58	17.51	16.93	17.45	17.14
Lake Forest College	3.10	3.27	2.96	4.01	5.07
MacMurray College	24.99	24.28	22.86	24.10	23.59
McKendree College	24.59	26.75	23.60	32.57	28.55
Monmouth College	9.34	12.48	14.04	17.11	18.90
Mundelein College	20.31	22.49	21.88	25.15	25.47
National College of Ed.	6.91	8.83	9.15	11.41	12.79
North Central College	23.62	20.34	22.61	23.64	22.20
North Park C. & Theol. Sem.	12.79	17.53	15.01	17.33	14.80
Olivet Nazarene College	12.06	12.68	13.12	14.73	15.35
Quincy College	33.31	38.19	34.48	37.99	34.51
Rockford College	11.44	14.82	13.68	13.29	
Rosary College		18.76	18.68	14.29	20.07
Shimer College	8.33	9.33	10.92	11.27	11.25
Illinois Benedictine College	37.53	33.31	32.62	31.73	26.96
Saint Xavier College	23.81	30.63	26.12	30.21	34.00
Trinity Christian College	23.34	21.45	26.66	23.99	29.34
Trinity College	11.69	14.13	9.03	9.95	
Wheaton College	7.01	5.96	4.81	5.29	4.98
Average Percentage for Four-Year Colleges	18.92	20.10	19.44	21.15	22.06
Central YMCA Cmty. College	4.73	8.78	7.06	20.46	30.62
Felician College	8.12	24.14	15.28	21.52	30.35
Kendall College	9.63	12.58	11.13	18.45	19.38
Lincoln College	5.59	8.83	8.79	12.32	17.67
MacCormac College	28.87	41.45	44.89	43.54	41.61
Mallinckrodt College	0.00	0.00	8.90	7.71	7.32
Springfield College in Ill.		27.21	38.66	32.91	28.53
Average Percentage for Two-Year Colleges	9.49	17.58	19.24	22.42	25.07

Family or friendship ties are often vital factors influencing college choice, and geographical location and the attractions of a specific program may also be influential. These factors influence students to attend both public and nonpublic institutions.

Table III.9 shows that during the academic years 1970-71 through 1974-75 the full-time equivalent enrollment in both private colleges and universities and public universities in Illinois changed less than 1%. Private colleges and universities decreased 0.3% over this five year span and public universities grew 0.5%. These two sectors apparently were equally successful in holding enrollments during this period. The major recipient of growth during this period has been public community colleges, but FTE enrollment at nonpublic two-year colleges and specialized institutions grew 24% during the same period. This fact suggests that program rather than price has attracted much of the new enrollment.

The similar enrollment patterns in both the public and nonpublic sector during the past five years suggest strongly that the availability of ISSC tuition subsidies combined with other factors such as location and program attractiveness have enabled the nonpublic sector to hold its own in competition for enrollment with public universities.

Despite the relative stability of enrollments in both sectors, it may still be argued that the price advantage that public institutions have for students who cannot demonstrate financial need leads some of these students to attend public

Table III.9

Total On and Off-Campus Fall Term Headcount and Full-Time-Equivalent (FTE) Degree or Certificate Credit Enrollments By Higher Educational Sector, 1970-1974

	1970	1971	1972	1973	1974	Percent Change 1970 to 1974
Public Universities						
Headcount	179,597	176,050	176,153	178,407	183,751	2.3%
FTE	155,912	155,564	154,363	154,833	156,648	0.5
% of Total State FTE	43.3	41.8	41.5	40.8	39.7	-3.6*
Public Community Colleges						
Headcount	157,184	175,859	185,328	224,952	267,156	70.0
FTE	94,617	106,279	108,637	114,156	125,967	33.1
% of Total State FTE	26.3	28.5	29.2	30.1	31.9	+5.6*
Private Colleges & Universities						
Headcount	121,343	121,415	119,502	118,046	121,006	-0.3
FTE	96,991	97,334	95,469	95,825	96,732	-0.3
% of Total State FTE	26.9	26.1	25.7	25.3	24.5	-2.4*
All Other Private Institutions						
Headcount	14,804	15,504	15,729	16,609	17,848	20.5
FTE	12,630	13,405	13,649	14,275	15,677	24.1
% of Total State FTE	3.5	3.6	3.7	3.8	4.0	+.5*

*Percentage Point Change.

institutions who might have attended a private college if the price were equal. This undoubtedly occurs to some extent, but the complexity of the factors influencing college choice makes it impossible to determine whether it is true to any significant degree.

Although, maximizing freedom from financial considerations in the choice of a college is a worthwhile objective, the relationship of this objective to other important objectives must be examined. Numerous national studies have argued that students, particularly students from families with sufficient means, pay a disproportionately small share of the cost of their higher education. In keeping with this concern the IBHE's Committee on Tuition and Other Student Costs concluded that tuition costs in public universities should increase from a current level of about 22-25% to one-third of instructional cost. The Committee further recommended that a portion of the revenue generated from this increase be applied to ISSC awards based upon financial need.

To remove or diminish the condition of financial need from tuition subsidies in nonpublic institutions would work in the opposite direction and to some extent, could reduce funds available to provide maximum opportunity for middle and lower income students with financial need to participate in higher education. Freedom of choice and providing sufficient financial support so that all needy students have an opportunity to attend college are both important objectives. To a significant degree the Illinois State Scholarship Commission program has been able to balance these objectives by increasing the maximum award to recognize increasing tuition costs in the nonpublic sector and by channeling state funds to those students who otherwise could not attend college. Since enrollments have stabilized in both public and private senior institutions, there is no compelling argument for diminishing the emphasis on financial need in the state subsidies provided for tuition in nonpublic institutions.

The importance of tuition charges to the future financial health of nonpublic institutions is obvious, and the importance of state programs to help students who wish to enroll in nonpublic institutions meet those costs in equally obvious. It is impossible to predict precisely the future impact of inflation on higher education. It is almost certain however, that costs and therefore tuitions will continue to rise. The Illinois State Scholarship program has provided opportunities for students with financial need to attend college and has served as an important means of reducing the price differential between the public and nonpublic sector of higher education. As tuitions rise in future years, the necessary increases in the ISSC program should be made to assure that both these objectives are met.

D. Endowments and Private Giving

Support from private sources is a critical element of the financial base of many nonpublic institutions. Many independent institutions receive a substantial portion of their income from these sources, but the availability of endowment income and private gift funds is unevenly distributed in the nonpublic sector. Earlier Table III.3 revealed the total income from private sources in the nonpublic sector. Table III.10 displays the endowment of private colleges and universities, endowment income and gift income for FY1974, endowment and gift income per full-time equivalent student, tuition charges, and educational expense per FTE student for 1973-74.

The wide variation in the wealth of nonpublic institutions seen in this table is clearly responsible for much of the variation in programs, quality of facilities, tuition charges, and expenditures per student. However, it is not the only source of these differences. Some institutions with significant private income have below average tuition charges and costs, while others fall well above average in both private income and per student expenditures. The extent of variation among institutions in the nonpublic sector in Illinois makes it extremely difficult to generalize about either their financial well-being or their efficiency and effectiveness.

During the past five years the endowments of most institutions in the nonpublic sector have increased. The depressed stock market has caused losses in the market value of investments in some cases, but book value has increased in

TABLE III. 10

ENDOWMENT AND PRIVATE GIFT INCOME, TUITION, AND EDUCATIONAL EXPENSE PER FTE FY1974

INSTITUTION NAME	FISCAL 1974 ENDOWMENT BOOK VALUE	FISCAL 1974 ENDOWMENT MARKET VALUE	FISCAL 1974 ED & GEN REV ENDOW INC	FISCAL 1974 ED & GEN REV PRIVATE GIFTS	ENDOW & GIFT INCOME PER/FTE	TUITION FY 1974	EDUCATIONAL EXPENSE PER/FTE
Bradley University	$6,351,400	$7,975,400	$386,500	$466,400	$192.53	$2,100	$2,336.66
DePaul University	$2,616,264	$1,993,752		$317,993	$40.58	$1,890	$1,799.72
Illinois Inst. Technology	$12,442,929	$9,274,813	$231,981	$1,333,726	$364.54	$2,200	$2,733.86
Ill. Wesleyan University	$11,248,000	$13,132,000	$302,500	$391,209	$410.37	$2,580	$3,028.17
Lewis University	$303,383	$227,294	$103	$596,633	$272.11	$1,450	$2,0[illegible]0.84
Loyola University	$33,760,732	$31,958,985	$411,719	$2,018,112	$236.07	$1,900	$2,952.03
Millikin University	$4,342,855	$3,598,595	$378,036	$538,059	$621.50	$2,400	$2,666.95
Northwestern University	$215,994,966	$211,222,783	$6,649,925	$5,406,971	$969.75	$3,180	$4,678.02
Roosevelt University	$1,469,000	$1,073,000	$21,000	$737,000	$187.72	$1,976	$2,447.50
University of Chicago	$273,086,168	$236,301,740	$17,306,171	$4,727,341	$3,001.02	$2,850	$7,392.00
Universities	Total	Total	Total	Total	Average	Average	Average
	$561,615,697	$516,758,362	$25,587,935	$16,533,444	$629.68	$2,253	$3,209.58
Augustana College	$4,125,871	$4,125,871	$148,904	$517,170	$301.12	$2,055	$2,338.42
Aurora College	$458,216	$428,572	$15,788	$498,559	$663.57	$1,950	$2,551.89
Barat College	$384,990	$276,568	$9,369	$302,263	$552.54	$1,900	$3,143.99
Blackburn College	$4,608,460	~~$5,227,333~~	$288,580	$164,865	$805.41	$1,540	$1,968.84
College of St. Francis	$88,501	$88,501	$1,973	$284,265	$429.14	$1,540	$2,498.71
Columbia College				$36,509	$42.65	$1,600	$1,776.88
Concordia Teachers College	$437,420	$410,934	$2,218	$1,662,162	$1,424.98	$850	$2,708.91
Elmhurst College	$1,134,437	$974,640	$22,246	$151,565	$87.04	$2,350	$1,912.78
Eureka College	$1,528,681	$1,383,829	$47,145	$187,746	$548.81	$1,660	$2,413.58
George Williams College	$431,969	$400,774	$13,881	$819,952	$975.24	$1,878	$2,883.76
Greenville College	$367,736	$367,736	$21,487	$328,540	$465.46	$1,530	$2,432.25
Illinois College	$5,399,359	$4,600,000	$218,989	$61,866	$384.73	$1,500	$2,010.08
Judson College	$1,425,086	$1,274,459	$52,000	$568,904	$1,847.93	$2,256	$3,479.53
Knox College	$10,636,795	$10,268,627	$385,736	$390,784	$665.98	$3,051	$3,690.06
Lake Forest College	$3,130,194	$3,506,027	$183,642	$808,192	$979.11	$3,050	$3,782.23
MacMurray College	$4,343,813	$4,343,813	$67,754	$306,282	$459.50	$2,550	$2,751.51
McKendree College	$1,576,858	$1,450,945	$57,414	$195,879	$484.31	$1,800	$2,415.97
Monmouth College	$4,650,180	$4,270,162	$234,173	$335,229	$621.62	$2,565	$2,978.48
Mundelein College	$688,370	$640,553	$11,018	$662,747	$706.25	$1,850	$2,551.73
Nat'l. College Ed. Main Cam.	$1,734,579	$1,601,603	$78,635	$280,179	$411.48	$2,400	$4,246.64
North Central College	$2,938,940	$2,796,943	$25,955	$489,643	$633.41	$2,250	$2,764.87
North Park C. & Theol. Sem.	$1,240,953	$947,816	$64,190	$752,246	$667.02	$1,995	$2,476.52
Olivet Nazarene College	$434,747	$434,747	$5,000	$552,393	$341.96	$1,300	$1,775.88
Nat'l. College Ed. Urban Cam.							
Quincy College	$811,361	$777,264		$396,010	$268.30	$1,500	$1,790.61
Rosary College	$831,610	$704,664	$41,993	$673,427	$691.90	$1,750	$2,604.24
Shimer College	$315,348	$315,348	$9,494	$402,649	$1,962.59	$2,200	$3,343.03
Ill. Benedictine College	$248,998	$229,589	$9,248	$396,817	$374.00	$1,800	$2,530.35
Saint Xavier College	$157,515	$145,758	$928	$180,1[illegible]9	$177.21	$1,920	$2,230.55
Trinity Christian College	$25,672	$25,672	$465	$270,910	$889.75	$1,650	$2,527.93
Trinity College	$95,504	$82,179		$307,243	$432.13	$1,930	
Wheaton	$11,943,536	$10,360,823	$471,542	$881,499	$600.26	$2,010	$3,064.22
Colleges	Total	Total	Total	Total	Average	Average	Average
	$66,195,705	$62,961,745	$2,489,767	$13,882,890	[illegible]	$1,945	$2,654.81
Central YMCA Cmty. College	$37,404	$24,312	$8,320	$842,517	$246.41	$1,260	$1,5[illegible]4.56
Felician College				$271,393	$1,750.92	$670	$1,[illegible]02.48
Kendall College	$406,634	$406,634		$270,400	$595.59	$1,950	$2,179.22
Lincoln College	$1,929,058	$3,962,041	$291,762	$105,579	$735.82	$1,500	$2,416.02
MacCormac College	$65,077	$65,077	$4,618	$1,774	$38.51	$1,500	$1,879.79
Mallinckrodt College			$169,000		2,036.40	$750	
Springfield College in Ill.			$168	$35,030	$68.08	$1,000	$1,334.03
Two-Year Colleges	Total	Total	Total	Total	Average	Average	Average
	$2,438,173	$4,459,064	$473,868	$1,526,693	$781.67	$1,093	$1,826.02

most institutions. Table III.11 shows growth in book value and market value of endowments during the period FY1970 to FY1973. On the average private universities increased the book value of their endowment 34.2% during this period. Although the aggregated book value of endowment funds in private four-year colleges increased 7.8% during these four years, a number of institutions with small endowments had a loss in endowment funds. The "average" four-year college increased its endowment book value 4.9% during this period.

The national economic problems of the past year have undoubtedly forced some institutions to liquidate capital gains in order to maintain endowment income, but a comparison of Table III.11 with Table III.10 shows a net increase in the book value of endowment funds between FY1973 and FY1974 at six of the ten universities and at 22 of the 30 private four-year colleges.

Two of the nine institutions in financial difficulty which were identified earlier have relatively substantial endowments. In one institution the endowment apparently has been reduced during the past few years to cover operating deficits. Clearly the reduction of endowment funds cannot continue indefinitely at these institutions, but the availability of such reserves can provide time to make the adjustments necessary to restore a balanced operating budget.

None of the remaining seven financially troubled institutions have substantial endowments. Two of these have

TABLE III. 11

CHANGES IN THE ENDOWMENTS OF ILLINOIS NONPUBLIC INSTITUTIONS
FISCAL 1970 TO FISCAL 1973

INSTITUTION NAME	ENDOWMENT FY 1970 EOY BOOK VALUE	ENDOWMENT FY 1970 EOY MARKET VALUE	ENDOWMENT FY 1973 EOY BOOK VALUE	ENDOWMENT FY 1973 EOY MARKET VALUE	ENDOWMENT BOOK GAIN FY70-FY73	ENDOWMENT MARKET GAIN FY70-FY73	ENDOWMENT % GAIN BK FY70-FY73
Bradley University	$4,875,400	$5,379,500	$6,405,700	$8,023,400	$1,530,300	$2,643,900	31.39
DePaul University	2,210,202	1,744,343	2,632,823	2,526,121	414,621	781,778	18.69
Illinois Inst. Technology	12,915,655	11,479,410	13,157,796	13,688,697	242,141	2,209,287	1.87
Ill. Wesleyan University	6,547,450	8,324,000	10,438,800	12,675,000	3,891,350	4,351,000	59.43
Lewis College			273,755	251,902			
Loyola University	18,331,977	17,871,539	28,647,322	27,015,589	10,315,345	9,144,050	56.27
Millikin University	2,288,608	2,288,608	4,202,321	4,343,000	1,913,713	2,054,392	83.62
Northwestern University	191,809,412	246,580,818	213,011,980	279,228,419	21,202,568	32,647,601	11.05
Roosevelt University	1,100,329	1,366,887	1,454,000	1,763,000	353,671	396,113	32.14
University of Chicago	264,116,469	274,271,542	299,683,518	293,170,730	35,567,049	18,899,188	13.47
Augustana College	3,921,421	3,765,204	4,359,141	4,359,141	437,720	593,937	11.16
Aurora College	280,732	316,852	450,918	453,756	170,186	136,904	60.62
Barat College	139,429	103,506	162,397	152,362	22,968	48,856	16.47
Blackburn College	4,024,059	4,024,059	4,860,437	7,391,997	836,378	3,367,938	20.78
College of Saint Francis	50,255	50,255	50,503	50,503	248	248	0.49
Columbia College	3,000	4,000	0	0	-3,000	-4,000	-100.00
Concordia Teachers College	426,915	433,645	427,466	437,474	551	3,829	0.13
Elmhurst College	667,392	531,580	816,186	760,327	148,794	228,747	22.29
Eureka College	1,826,144	1,793,345	1,285,253	1,309,658	-540,891	-483,687	-29.62
George Williams College	306,377	512,197	397,387	462,086	91,010	-50,111	29.71
Greenville College	362,993	362,993	341,772	341,772	-21,221	-21,221	-5.85
Illinois College	4,351,433	4,351,433	5,365,253	5,700,000	1,013,820	1,348,567	23.30
Judson College	1,113,453	1,136,929	1,175,485	1,175,485	62,032	38,556	5.57
Knox College	13,375,545	12,597,146	13,910,868	14,325,510	535,323	1,728,364	4.00
Lake Forest College	4,733,674	4,578,531	3,070,131	3,895,369	-1,663,543	-683,162	-35.14
MacMurray College	4,163,569	4,163,569	4,025,330	4,025,330	-138,239	-138,239	-3.32
McKendree College	1,423,356	1,313,946	1,465,580	1,639,406	42,224	325,460	2.97
Monmouth College	2,151,377	2,034,317	4,146,562	4,267,242	1,995,185	2,232,925	92.74
Mundelein College	362,507	269,558	578,535	578,535	216,028	308,977	59.59
National College of Ed.	628,197	675,000	771,854	800,000	143,657	125,000	22.87
North Central College	2,747,726	2,455,405	2,826,206	2,810,572	78,480	355,167	2.86
North Park C. & Theol. Sem.	1,905,608	1,585,039	1,290,098	1,197,696	-615,510	-387,343	-32.30
Olivet Nazarene College	854,727	854,727	325,425	325,425	-529,302	-529,302	-61.93
Quincy College	893,023	630,806	908,607	875,495	15,584	244,689	1.75
Rockford College	2,343,822	2,080,733	2,577,300	2,478,300	233,478	397,567	9.96
Rosary College	720,632	739,835	845,649	848,769	125,017	108,934	17.35
Shimer College	327,440	327,522	315,961	315,961	-11,479	-11,561	-3.51
Illinois Benedictine College	136,791	118,972	242,095	245,467	105,304	126,495	76.98
Saint Xavier College	147,949	146,866	30,356	24,431	-117,593	-122,435	-79.48
Trinity Christian College	13,839	13,839	24,908	24,908	11,069	11,069	79.98
Trinity College	390,081	333,126	74,820	74,820	-315,261	-258,306	-80.82
Wheaton College	10,375,245	9,742,948	13,126,371	13,676,001	2,751,126	3,933,053	26.52
Central YMCA Cmty. College	69,029	60,304	37,404	37,404	-31,625	-22,900	-45.81
Felician College			0	0			
Kendall College	235,800	229,825	406,634	406,634	170,834	176,809	72.45
Lincoln College	1,052,645	2,261,952	1,427,080	2,547,298	374,435	285,346	35.57
MacCormac College			10,866	10,066			
Mallinckrodt College			0	0			
Springfield College in Ill.	1,997	1,997	0	0	-1,997	-1,997	-100.00

balanced operating budgets in FY1974, but the remaining five do not. Apparently sponsoring religious groups have provided cushion for these institutions, but there are few other reasons to be optimistic about their future.

E. Physical Plant Assets

Table III.12 displays the growth in the physical plant assets of nonpublic institutions during the five years of this study. On the whole the data on this table are consistent with the general financial trends found in other areas. While it is difficult to generalize from the size of the increase experienced without some comparative baseline, this table shows that independent colleges and universities in Illinois have been able to expand and renew their physical facilities at a moderate rate during the past five years.

TABLE III.12

PHYSICAL PLANT ASSETS IN ILLINOIS PRIVATE COLLEGES AND UNIVERSITIES, FY1970 and FY1974

(In Thousands of Dollars)

	FY1970	FY1974	GROWTH	% GROWTH
Universities				
Land	$ 54,036.4	$ 64,384.2	$ 7,347.8	13.6
Buildings	443,330.9	558,558.8	115,227.9	26.0
Equipment	62,759.0	78,991.1	16,232.1	25.9
TOTAL	$560,126.3	$701,964.1	$141,837.8	25.3
Four-Year Colleges				
Land	17,734.2	21,358.4	3,624.2	20.4
Buildings	220,465.0	253,545.6	33,080.6	15.0
Equipment	33,670.2	38,848.2	5,178.0	15.4
TOTAL	$271,869.4	$313.752.2	$ 41,882.8	15.4
Two-Year Colleges				
Land	1,561.4	1,668.4	107.3	6.9
Buildings	16,914.5	19,047.0	2,132.5	12.6
Equipment	2,056.5	2,606.0	549.5	26.7
TOTAL	$ 20,532.3	$ 23,321.4	$ 2,789.1	13.6

CHAPTER IV

COST INFLATION AND INDICATORS OF QUALITY IN THE NONPUBLIC SECTOR

Academic quality is an elusive thing. It has been measured in many ways, but there is no commonly accepted standard of quality nor is there a technique for measuring it which is wholly satisfactory. Despite these limitations it is important in a study such as this to examine quality in the nonpublic sector in order to determine whether quality has been compromised by financial pressures. This will be done by examining the impact of inflation on items of expenditure such as faculty salaries, libraries, and physical plant maintenance, and various indicators of quality such as student/faculty ratios, the percentage of faculty holding an earned doctorate, and measures of student ability. Although it is not possible to assess whether institutions have attained desirable levels of quality from analyses such as these (in some sense no institution is as good as it would like to be), it will be possible to gain some perspective on changes in quality indicators during the five years of this study. It will be possible to determine the extent to which expenditures have kept pace with inflation and to examine relative changes in expenditure patterns among nonpublic, and in some cases, public institutions.

A. The Problem of Inflation

During the past five years the national economy has experienced high rates of inflation. Obviously, nonpublic institutions have been affected by the inflationary spiral along with every other sector of the economy. Utility costs, supplies, and other non-personnel costs have risen with general price levels, and salaries for faculty and other staff have risen in an effort to keep pace with increased living costs.

Table IV.1 contains four price indices which have been developed specifically to show the impact of inflation in higher education and the GNP Implicit Price Deflator. The difference between the higher education indicies and the GNP Implicit Price Deflator is largely explained by the fact that 65% to 85% of higher education expenditures are for salaries which have risen at a rate greater than the general rate of inflation. If the Consumers Price Index were used to deflate salary expenditures, the higher education indicies would probably fall between their current level and the GNP index. Indicies developed by G. Richard Wynn were used to deflate specific items of expenditure, and the Consumer's Price Index was used to examine the impact of inflation on faculty compensation. The GNP Implicit Price Deflator was used to adjust total operating costs for inflation because it provides a reasonably good estimate of actual inflation and it was available for the full five years of the study.

The McConnell Commission identified three areas of expenditure which they believed should be upgraded in nonpublic institutions: faculty salaries, library expenditures, and

Table IV. 1

Higher Education Price Indices
Compared to the
GNP Implicit Price Deflator

Fiscal Year	GNP Implicit Price Deflator	Halstead	O'Neill	Bureau of Economic Analysis-Private Higher Education	Wynn Private College
1970	100.0	100.0	100.0	100.0	100.0
1971	105.2	106.5	105.7	105.7	106.1
1972	109.2	112.3	110.5	110.6	111.2
1973	113.2	118.1	116.5	115.9	117.4
1974	124.1				

Note: All indices were converted to FY1970 = 100.

Sources:
GNP Implicit Price Deflator, U.S. Department of Commerce.
Kent Halstead, U.S. Office of Education.
June O'Neill, Resource Use in Higher Education, Carnegie Commission on Higher Education.
Unpublished report by the Bureau of Economic Analysis, U.S. Department of Commerce.
Index prepared by G. R. Wynn in Ph.D. dissertation at University of Michigan.

physical plant maintenance. These areas will receive particular attention here in order to examine any progress which may have occurred since that study.

B. Faculty Compensation

Table IV.2 displays growth in faculty compensation by rank for the period 1970-71 to 1973-74 and the growth in total average faculty compensation for the period 1969-70 to 1973-74 in nonpublic and public institutions in Illinois. (Compensation growth by rank is available only for the four year period 1970-71 to 1973-74). During the four year period for which data by rank are reported, AAUP data were used to calculate an increase in the Consumer's Price Index (CPI) of 16.6%. During the five year period, the same data were used to calculate an increase in the CPI of 22.9%.

Total average compensation increased at a rate nearly equal to or greater than the cost of living for the five year period in each of the institutional types examined. However, only in the nonpublic universities did salary levels by rank increase at greater than the rate of inflation. Part of this difference may be attributed to the different base years used, but an increase in the proportion of faculty at higher ranks who hold tenure is probably the primary cause for the difference. In essence this means that individuals may have been able to keep pace with inflation through promotion and salary increases, but the average compensation by rank has lagged somewhat behind.

Table IV.2

Growth in Faculty Compensation* by Sector of Illinois Higher Education

	Professor % Gain 71-74	Assoc. Prof. % Gain 71-74	Asst. Prof. % Gain 71-74	Instructor % Gain 71-74	Average Compensation Full-Time Faculty FY1970	Average Compensation Full-Time Faculty FY1974	Average % Gain in Compensation FY1970-FY1974
Private Universities n=10	21.9%	15.3%	17.2%	19.8%	$13,726	$17,594	29.7%
Private Four-Year Colleges n=19	11.1%	14.6%	13.4%	16.2%	$11,025	$13,368	25.6%
Public Universities n=9	10.4%	9.1%	11.5%	14.3%	$14,057	$17,264	22.8%
Increase in Consumer's Price Index	16.6%	16.6%	16.6%	16.6%	—	—	22.9%

Note: The percentage gain columns report the averages of the percentage gain in compensation at each institution, not the percentage gain of average compensation in the sector. This is the reason the average % Gain in Compensation does not exactly equal the average percentage increase for each of the sectors as a whole. Several detailed salary tables appearing in Appendix C provide data for specific institutions and compare public and private universities by level of complexity.

Sources of Data: AAUP Bulletin and the Chronicle of Higher Education, June 9, 1975.

*"Compensation" includes direct salary and fringe benefits.

An interesting aspect of this table is the differences found between public and nonpublic institutions. In FY1970, the average compensation at public universities was higher than compensation in both parts of the private sector. By 1974 private universities caught up with and slightly surpassed public universities. Private four-year colleges still pay less than public universities but they have increased salaries at a rate slightly faster than in public institutions. At least when compared with public institutions these data show progress toward the objective of the McConnell Commission to improve salary levels in nonpublic institutions. More detailed salary data by institution may be found in Appendix C.

C. Library Expenditures

Library costs have grown significantly during the past five years. Wynn (1974; p. 205) developed a price index for library costs using twenty liberal arts colleges. His index for FY1970 to 1973 was supplemented with a cost per volume analysis in this study to develop the following five year index. (Only the index for FY1974 was developed separately from Wynn's work.)

TABLE IV.3

Price Index for Library Costs, FY1970-FY1974

FY1970	FY1971	FY1972	FY1973	FY1974
100.00	106.41	113.17	120.35	128.80

Table IV.4 shows library expenditures as a percentage of all educational expenditures, volumes purchased, volumes held per

TABLE IV.4

Average Library Expenditures & Volumes Per Student,
FY1970 to FY1974
In Illinois Nonpublic Colleges and Universities

	FY1970	FY1971	FY1972	FY1973	FY1974
Universities: (n=10)					
Library % of E & G Expenditures	4.24	4.21	4.70	4.07	4.30
Volumes Purchased per/FTE	5.31	6.19	5.49	5.50	5.80
Volumes Held per/FTE	—	—	—	—	128.3
Library Expense/FTE	$132.57	$142.28	$161.78	$173.76	$181.45
Expense/FTE in Constant $ (Wynn index)*	$132.57	$133.71	$146.70	$149.38	$140.88
Four-Year Colleges: (n=25)					
Library % of E & G Expenditures	5.23	5.22	5.28	5.25	5.27
Volumes Purchased per/FTE	6.90	8.15	7.66	8.21	7.75
Volumes Held per/FTE	—	—	—	—	133.02
Library Expense/FTE	$107.09	$119.48	$128.24	$133.48	$139.39
Expense per FTE in Constant $ (Wynn index)*	$107.09	$112.28	$111.55	$110.91	$108.22
Two-Year Colleges: (n=7)					
Library % of E & G Expenditures	5.84	5.70	5.16	7.74	8.63
Volumes Purchased per/FTE	10.49	8.46	8.91	7.77	6.84
Total Volumes/FTE	—	—	—	—	102.57
Library Expense/FTE	$124.04	$ 84.14	$ 91.90	$16[illegible].27	$179.54
Expense/FTE in Constant $ (Wynn index)*	$124.04	$ 79.07	$ 81.20	$135.66	$139.39

*The FY1974 deflator is estimated from data obtained for this study.

FTE student, and library expenditures per FTE student in current dollars and in dollars deflated to FY1970 dollars. These data show that each type of institution in the nonpublic sector has been able to increase its constant dollar library expenditures per student since 1970. There has been a slight decline in the constant dollar expense per student in universities and four-year colleges during the past two years, but constant dollar expense per student for FY1974 is still above the level achieved in FY1970.

Individual institutions within the nonpublic sector of course vary in the volumes held per student and in their expenditures per student. Also, the number of volumes necessary for an institution may vary with the number of students enrolled (other things being equal, the more students enrolled the fewer volumes needed per student) and the academic programs supported by the library. While only site visits and a detailed analysis of library holdings can determine the quality of an individual library, this analysis shows that on the whole nonpublic institutions in Illinois have been able to maintain and to increase at a moderate, but steady pace the size of their library holdings.

D. Physical Plant Expenditures

Table IV.5 displays physical plant expenditures per FTE student for three elements of the private sector and public universities during the period FY1970 to FY1971. A specific index developed by Wynn (1974; p. 167) for plant

TABLE IV.5

AVERAGE PLANT OPERATIONS AND MAINTENANCE EXPENDITURES PER FTE STUDENT IN ILLINOIS HIGHER EDUCATION, FY1970 to FY1974

	FY1970	FY1971	FY1972	FY1973	FY1974
Private Universities (n=10)*					
O & M Expenditures Per/FTE	$233.36	$260.02	$311.00	$316.77	$363.64
(In FY1970 dollars)**	233.36	250.98	289.03	274.97	287.92
Private Colleges (n=32)					
O & M Expenditures Per/FTE	263.53	311.48	331.73	354.82	361.79
(In FY1970 dollars)	263.53	300.66	308.30	308.00	286.45
Private 2-Year Colleges (n=7)					
O & M Expenditures Per/FTE	260.67	197.79	223.23	238.88	240.24
(in FY1970 dollars)	260.67	190.92	207.46	207.36	190.21
Public Universities (n=11)**					
O & M Expenditures Per/FTE	291.35	303.13	307.38	355.73	383.42
(IN FY1970 dollars)	291.35	292.60	285.67	308.79	303.58

* The University of Chicago was omitted from this analysis

** An index for physical plant cost inflation developed by G. Richard Wynn was used for FY1970 to FY1973

*** Governors' State University was excluded entirely and Sangamon State University was included for FY1972 through FY1974 costs at a liberal arts college was used to calculate constant dollar values for this table.

Table IV.5 shows that both public and nonpublic colleges and universities have been able to increase slightly their real dollar physical plant expenditures per FTE student during the past five years. At the beginning of this period public institutions apparently spent significantly more than nonpublic institutions for plant operations. This gap narrowed during the past five years but it still exists. The data of this study are insufficient to demonstrate whether this difference reflects actual differences in the amount of service and goods obtained or vagaries in the prices paid or means of accounting used. The evidence clearly suggests that standards have improved in the nonpublic sector, but there may be continued need for improvement.

E. Growth In Cost Per/FTE Student

The development of perfectly comparable unit cost information within the nonpublic sector and between the nonpublic and public sectors is a task beyond the scope of this report. A number of factors including variations in type of program and level of instruction offered, accounting differences, and different debt service burdens make comparing costs extremely difficult unless a detailed cost study procedure is used. However, some comparison of unit costs over time may be helpful in a study such as this in order to determine the extent to which institutions have been able to keep pace with inflation or, alternately, have been forced to cut services or salaries in order to balance their budgets.

Table IV.6 displays growth in average educational expense per FTE student for three elements of the nonpublic sector and for public universities over the five year period of this study. "Educational expense" is defined for the purposes of this analysis to include the expenditure categories:

1. Instruction and departmental research
2. Libraries
3. Physical plant maintenance and operation
4. Other educational and general expenditures

as defined by the USOE Higher Education General Information Survey. This definition excludes expenditures for:

1. Organized activities related to educational departments
2. Sponsored research and programs
3. Other separately budgeted research
4. Extension and public service
5. Student aid and auxiliary enterprises

Table IV.6 reveals that nonpublic colleges and universities in Illinois have been able to keep pace with inflation during this five-year span and to some extent have been able to increase their real dollar expenditures per student.[1] Expenditures per student in public institutions have declined somewhat in deflated dollars during this period due to increases in productivity and the modest increases in state funds provided for FY1972 and FY1973. Although a valid direct

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[1] The GNP Implicit Price deflator was used to deflate expenditures on this table because it provided a full five year index. The price indexes that have been developed specifically for higher education would show slightly lower real dollar costs.

TABLE IV.6

RELATIVE GROWTH IN EDUCATIONAL COST PER FTE IN ILLINOIS HIGHER EDUCATION, FY1970-FY1974

(Excludes Research and Sponsored Programs)

COST PER/FTE	FY1970	FY1971	FY1972	FY1973	FY1974
Private Universities*					
Index FY1970	100.0	107.2	109.3	138.7	147.8
Deflated Index, FY1970**	100.0	101.9	100.1	122.5	119.1
Private Four-Year Colleges					
Index FY1970	100.0	108.5	112.8	122.4	125.0
Deflated Index, FY1970**	100.0	103.1	103.3	108.1	100.7
Private Two-Year Colleges***					
Index FY1970	100.0	78.7	98.4	94.7	105.5
Deflated Index, FY1970**	100.0	74.8	90.1	83.7	85.0
Public Universities****					
Index FY1970	100.0	101.1	101.2	109.6	118.6
Deflated Index, FY1970**	100.0	96.1	92.7	96.8	95.6

* The University of Chicago is omitted.

** Deflated to FY1970 dollars with the GNP implicit price deflator.

*** Wide variations from year to year suggest that data in this category should be viewed with more than the usual caution.

**** Sangamon State University and Governors State University are omitted.

comparison of cost between sectors could not be made from this analysis,[2] the data generally indicated that public institutions had significantly more resources per FTE student than private institutions in FY1970. Because of the trends seen in real dollar expenditures, it may be concluded that this gap is now smaller and in some cases may be entirely closed.

F. Indicators of Quality Other Than Expenditure Levels

The general environment of higher education today is favorable for institutions seeking faculty and unfavorable for traditional baccalaureate institutions seeking students. There is an abundance of young Ph.D.'s educated during the rapid enrollment growth of the 1960's, while population trends and a shift in student interest away from the liberal arts have curtailed growth in the number of students seeking enrollment. Both of these conditions were found in the examination of indicators of quality in the nonpublic sector.

The average percentage of faculty holding an earned doctorate in nonpublic institutions has increased from 39.5% in 1969-70 to 48.8% in 1974-75. Since each institution was weighted equally in the calculation of this average, this finding suggests that there has been a significant increase in the educational strength of the faculties of independent colleges and universities during this period.

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[2] One example of a significant accounting difference is that fringe benefit costs are not included in public university HEGIS reports because they are paid at the state level.

From some perspectives a less promising trend is an increase in the percentage of tenured faculty from 39.2% in 1969-70 to 51.4% in 1974-75. This finding is also related to the stability of enrollments and the availability of faculty with the Ph.D. Many younger faculty members hired to teach expending enrollments in the 1960's have reached tenured status, and the stabilization of enrollment has decreased the availability of new untenured positions. If the trend continues into the future some institutions may encounter difficulty adapting academic programs to changing needs.

Table IV.7 displays FTE student to FTE faculty ratios for most private universities and four-year colleges during the span of this study. There has been a slight decline in the average of student/faculty ratios over the five year period in both colleges and universities. The amount of decline in four-year institutions is almost insignificant, but the average decline from a 15.77 ratio to 14.88 in non-public universities represents a significant improvement in the student/faculty ratio at several institutions. One striking aspect of this table is the difference found among institutions. To a significant extent this may be attributed to differences in the amount of research performed and the level of instruction or the type of instruction offered. However, there is a strong relationship between unusually low student/faculty ratios and financial distress. Almost without exception four-year institutions with very low student/

TABLE IV.7

FTE STUDENT TO FTE FACULTY RATIOS IN NONPUBLIC COLLEGES AND UNIVERSITIES FY1970 TO FY1974

INSTITUTION NAME	STUDENT/ FACULTY FY1970	STUDENT/ FACULTY FY1971	STUDENT/ FACULTY FY1972	STUDENT/ FACULTY FY1973	STUDENT/ FACULTY FY1974
Bradley University	1[illegible].60	12.69	13.82	13.49	14.92
DePaul University	18.6[illegible]	19.70	20.23	19.91	20.09
Illinois Institute Technology	11.35	10.62	10.36	10.39	10.35
Illinois Wesleyan University	14.93	14.03	13.03	13.42	13.19
Lewis University	20.77	19.80	18.75	19.21	19.24
Loyola University	23.72	20.68	20.86	19.53	19.17
Millikin University	14.84	14.20	14.92	13.91	13.95
Northwestern University	14.58	14.09	13.99	13.19	13.21
Roosevelt University	16.38	16.65	16.66	15.17	15.41
University of Chicago	8.90	8.46	8.80	9.41	9.32
University Averages	15.77	15.09	15.14	14.76	14.88
Augustana College	18.34	19.12	18.96	18.56	18.71
Aurora College	17.31	16.18	16.91	18.49	16.25
Barat College	10.53	7.61	9.38	10.68	11.80
Blackburn College	17.20	15.78	15.69	15.00	14.44
College of St. Francis	13.30	13.58	13.35	10.98	12.58
Columbia College					
Concordia Teachers College	13.96	14.73	15.23	16.25	15.68
Elmhurst College	19.62	19.06	16.03	16.70	18.93
Eureka College	15.71	14.43	18.10	16.24	14.76
George Williams College	13.00	11.68	12.87	14.03	12.76
Greenville College	15.05	14.03	14.54	15.48	13.01
Illinois College	18.35	18.28	17.80	16.81	15.72
Judson College					
Knox College	15.16	14.80	15.15	15.61	14.19
Lake Forest College	13.17	13.42	12.26	12.29	12.31
MacMurray College	13.62	14.13	13.48	14.50	13.90
McKendree College	16.18	14.89	14.74	15.38	15.52
Monmouth College	14.47	14.78	16.94	13.66	13.40
Mundelein College					
National College of Ed. Main Campus					
North Central College	13.51	14.99	[illegible].58	15.53	15.81
North Park College & Theol. Seminary					
Olivet Nazarene College	19.24	20.31	20.18	19.11	18.31
National College of Ed. Urban Campus					
Quincy College	17.70	18.57	19.29	18.66	16.77
Rosary College	12.94	11.49	12.22	14.04	14.99
Shimer College	10.28	9.67	10.93	8.42	8.40
Illinois Benedictine College	16.75	15.17	18.69	16.47	17.08
St. Xavier College	10.41	11.01	11.60	11.55	13.10
Trinity Christian College					
Trinity College					
Wheaton College	13.51	13.10	14.75	14.53	14.78
Four-Year College Averages	14.97	14.65	15.15	14.96	14.72

faculty ratios fall in the group identified earlier as in financial difficulty. One institution in that category which strongly reversed a trend toward increasing deficits in FY1974 increased its student faculty ratio from 11.55 to 13.10 in that year. While increasing the ratio of students per faculty member is not always easy, particularly in a small institution, the fiscal impact of such a move is almost always significant. An increase in the student/faculty ratio from 13.0 to 14.0 increases faculty productivity 7.7%; in most institutions this would be more than sufficient ot eliminate an annual deficit of 5%

Table IV.8 displays several indicators of student quality over the past five years at nonpublic institutions. Since these data are incomplete (many institutions do not use or collect all of the data included), they should be interpreted with caution. The high school rank and ACT scores of freshmen students in the nonpublic sector have remained stable, but there has been a decline in the average SAT score reported and an increase in the percentage of applicants accepted for admission. The decline in SAT scores is consistant with a national trend; hence the small decrease seen here may signify no real change in the relative academic ability of freshment in the nonpublic sector.

Tables IV.8 and IV.9 show an increase in the percentage of applicants admitted at most nonpublic institutions. This may indicate that nonpublic institutions have become less

TABLE IV.8

MEASURES OF STUDENT QUALITY FY1970-FY1975 FOR PRIVATE UNIVERSITIES AND FOUR YEAR COLLEGES

	N*	FY1970	FY1971	FY1972	FY1973	FY1974	FY1975
Median High School Rank (percentile)	16	76	75	73	72	75	--
Mean ACT Score	12	23	22	22	22	22	22
Mean SAT Verbal	21	529	505	518	512	501	500
Mean SAT Math	21	548	541	538	534	530	528
% of Applicants Admitted:							
Universities	10	76.3	79.7	81.4	80.8	82.9	81.1
Four-Year Colleges	23	80.4	81.6	85.3	85.5	86.4	87.6

* N signifies the number of institutions responding in each category. There were 33 usable responses, but few institutions use High School Rank, ACT tests, and SAT tests so the "N" is smaller in those categories.

TABLE IV. 9

PERCENTAGE OF APPLICANTS ADMITTED TO NONPUBLIC INSTITUTIONS 1969-70 TO 1974-75

INSTITUTION NAME	% APPLICANT ADMITTED FY1970	% APPLICANT ADMITTED FY1971	% APPLICANT ADMITTED FY1972	% APPLICANT ADMITTED FY1973	% APPLICANT ADMITTED FY1974	% APPLICANT ADMITTED FY1975
Bradley University	77.71	81.67	89.63	87.59	88.74	89.89
DePaul University	77.84	82.14	84.20	85.70	86.88	86.10
Illinois Inst. Technology	83.65	82.71	83.90	72.22	72.25	67.74
Ill. Wesleyan University	93.11	92.56	79.54	82.23	81.76	77.87
Lewis University		79.11	69.30	83.84	93.22	83.61
Loyola University	84.65	85.21	87.25	86.80	89.55	83.84
Millikin University	91.35	91.38	91.39	91.38	91.46	91.37
Northwestern University	56.78	60.58	70.28	60.98	61.95	61.21
Roosevelt University	80.60	85.84	89.34	86.27	85.86	90.34
University of Chicago	40.54	55.78	69.01	70.74	77.43	79.16
Augustana College	81.53	87.73	89.25	84.32	83.20	86.42
Aurora College						
Barat College	90.46	75.13	84.59	82.50	94.72	95.89
Blackburn College	54.66	61.12	62.52	78.56	84.41	90.74
College of Saint Francis	84.48	83.33	88.00	94.78	91.37	88.27
Columbia College						
Concordia Teachers College	80.64	77.13	90.60	93.10	94.98	98.02
Elmhurst College	84.88	88.34	83.91	84.69	92.24	93.11
Eureka College	78.80	85.24	82.54	79.63	75.08	74.48
George Williams College	61.56	61.96	79.00	75.59	74.18	75.77
Greenville College	100.00	100.00	100.00	99.58	99.72	99.73
Illinois College	83.44	80.22	84.77	86.86	92.31	96.98
Judson College	95.96	86.44	95.05	90.36	88.10	91.25
Knox College	83.05	85.22	82.82	84.91	86.12	86.39
Lake Forest College	59.13	62.30	68.93	77.43	72.48	75.51
MacMurray College	90.61	87.18	83.72	86.68	89.45	83.92
McKendree College	89.02	97.46	96.40	98.25	99.35	97.41
Monmouth College	67.31	71.42	98.93	92.18	92.12	98.83
Mundelein College						
Nat'l. College Ed. Main Cam.						
North Central College	77.86	80.80	87.03	90.04	86.88	87.82
North Park C & Theol. Sem.						
Olivet Nazarene College						
Nat'l. College Ed. Urban Cam.						
Quincy College						
Rosary College	87.56	95.26	91.26	84.00	85.96	92.15
Shimer College	71.59	83.85	89.03	84.52	86.18	83.09
Ill. Benedictine College	86.52	90.85	86.20	86.46	91.14	92.09
Saint Xavier College	80.65	73.41	72.86	77.33	77.71	75.66
Trinity Christian College						
Trinity College	92.02	91.86	86.23	91.18	90.62	89.94
Wheaton College	67.59	71.47	78.05	64.22	58.56	61.48

selective in order to maintain enrollments, but the other indicators of student quality reviewed above suggest little change during this period. Quite possibly the academic ability of the applicant pool for private institutions is increasing the same time the absolute number of students applying is decreasing. Students whose skills are more technical than academic may be finding more suitable educational opportunities in vocationally oriented institutions. While student quality may not decline in traditional liberal arts curricula, both public and nonpublic institutions may find it necessary to diversify their offerings in order to maintain enrollments and meet the needs of students in the next generation.

Finally, the subjective impression of institutional administrators must be noted as the quality of education in nonpublic institutions is considered. While some institutions report decreases in faculty to adjust to declining enrollments and program modifications to meet changing student demands, the vast majority of institutions reported that the quality of services offered is stable or improving. These subjective impressions reinforce the findings of this study in almost every case.

CHAPTER V

THE ROLE OF STATE GOVERNMENT SUPPORT FOR NONPUBLIC HIGHER EDUCATION

Illinois is a national leader in state support for independent colleges and universities. The Illinois State Scholarship Commission has provided financial aid to students in private institutions since 1958, direct grants for health education have been provided since 1969, and direct grants for undergraduate education have been made since 1971. In this chapter the growth of these programs and their impact on nonpublic institutions will be examined, and desirable modifications will be considered.

A. The Illinois State Scholarship Commission

Since 1958 the Illinois State Scholarship Commission has provided $210 million in monetary awards to students in nonpublic institutions. The number of awards and their dollar value have increased significantly in the 1970's; at the current rate of expenditures another $210 million will be provided in the next five to six years. (Table V.1 summarizes the history of ISSC awards to private higher education.)

Table V.2 compares the ISSC program with similar programs in other states during 1973-74. Illinois ranked third in the number of award recipients, third in the amount of aid provided, and fourth in scholarship appropriations per capita state population. Among the larger states only New York and Pennsylvania rank above Illinois in any of these categories,

TABLE V. I

CAPSULE HISTORY OF MONETARY AWARDS BY TYPE INSTITUTION

(Best Estimates for 1974–75)

Award Year	No. Awards	% of Total	Dollars	% of Total
Private 2-Yr.				
1958–59	14	.96	$ 5,098	.87
1959–60	16	.61	5,689	.53
1960–61	12	.34	4,710	.31
1961–62	22	.49	9,572	.48
1962–63	12	.28	5,685	.29
1963–64	7	.16	2,760	.14
1964–65	21	.38	11,390	.39
1965–66	40	.53	22,610	.54
1966–67	60	.68	37,750	.66
1967–68	220	1.39	152,637	1.49
1968–69	533	1.81	397,769	2.16
1969–70	653	1.71	616,494	2.37
1970–71	1,093	2.26	1,054,314	3.25
1971–72	1,147	2.02	1,085,175	2.77
1972–73*	2,420	3.48	2,038,240	3.99
1973–74*	3,194	4.41	2,867,433	5.33
1974–75*	3,573	4.58	3,303,700	5.90
1958–75*	13,037	2.89	11,621,026	3.76
Private 4-Yr.				
1958–59	907	62.21	$ 485,182	82.79
1959–60	1,752	67.18	901,663	84.36
1960–61	2,366	67.75	1,274,410	84.80
1961–62	3,109	68.94	1,679,872	84.20
1962–63	2,962	69.37	1,614,722	83.62
1963–64	3,136	69.60	1,707,889	83.79
1964–65	3,646	66.04	2,445,670	84.28
1965–66	5,001	66.76	3,586,903	84.73
1966–67	5,471	62.26	4,817,735	84.82
1967–68	10,072	63.41	8,747,543	85.14
1968–69	16,171	54.98	14,872,595	80.61
1969–70	18,603	48.61	19,568,819	75.09
1970–71	21,923	45.32	22,492,190	69.29
1971–72	24,600	43.24	24,862,845	63.54
1972–73	26,701	38.37	28,630,247	56.04
1973–74	26,359	36.39	30,022,463	55.89
1974–75	26,840	34.37	31,323,800	55.03
1958–75	199,619	44.20	199,034,538	64.39
All Private				
1958–59	921	63.17	$ 490,280	83.60
1959–60	1,768	67.79	907,352	84.89
1960–61	2,378	68.10	1,279,120	85.11
1961–62	3,131	69.42	1,689,444	84.77
1962–63	2,974	69.65	1,620,407	83.91
1963–64	3,143	69.75	1,710,649	83.92
1964–65	3,667	66.42	2,457,060	84.68
1965–66	5,041	67.29	3,609,513	85.41
1966–67	5,531	62.94	4,855,485	85.49
1967–68	10,292	64.80	8,900,180	86.63
1968–69	16,704	56.79	15,270,354	82.77
1969–70	19,256	50.32	20,185,313	77.46
1970–71	23,016	47.58	23,546,504	72.53
1971–72	25,747	45.26	25,948,020	66.33
1972–73*	29,121	41.85	30,668,487	60.03
1973–74*	29,553	40.79	32,889,896	61.22
1974–75*	30,413	38.95	34,627,500	61.62
1958–75*	212,656	47.09	210,655,564	68.15

*Including Hospital Schools of Nursing and Allied Health Programs

SOURCE: ISSC Report, April, 1975

TABLE V.2

States and Territories with Comparable Scholarship/Grant Programs Based on Financial Need

For Students Attending Higher Public or Private Institutions

1973-74 Academic Year

State	No. of Enrolled Winners	Rank Order Enrolled Winners	Payout Dollars	Rank Order Payout Dollars	Per Capita $ Appropriation Based on 1970 Population	Rank Order Per Cap. Approp.
California	39,342	6	31,338,543	4	$ 1.57	14-15
Colorado	13,056	11	5,875,104	12	2.66	7
Connecticut	2,953	23	1,763,900	23	.58	21
Delaware	117	31	72,650	30	.13	29
Florida	3,151	21	3,537,400	16	.52	23
Illinois	72,246	3	53,720,059	3	4.84	4
Indiana	13,347	10	9,095,404	10	1.75	12
Iowa	7,207	15	6,214,670	11	2.20	9
Kansas	3,008	22	2,476,586	19	1.10	18
Maine	328	29	183,217	28	.18	28
Maryland	545	27	327,300	26	.08	30
Massachusetts	15,849	9	9,498,350	9	1.67	13
Michigan	21,656	7	16,578,425	7	1.87	11
Minnesota	8,705	13	5,699,856	13	1.50	16
Missouri	7,489	14	3,299,008	17	.71	20
New Jersey	48,477	5	25,357,431	5	3.54	6
New York	273,100	1	78,000,000	1	4.29	5
North Dakota	625	26	144,708	29	.23	27
Ohio	40,682	4	16,700,000	6	1.57	14-15
Oregon	4,218	17	1,823,326	22	.87	19
Pennsylvania	106,474	2	63,639,614	2	5.40	2
Rhode Island	2,490	24	1,933,525	21	2.04	10
South Carolina	3,284	20	3,849,600	15	1.49	17
Tennessee	3,868	19	2,146,628	20	.55	22
Texas	10,002	12	5,000,000	14	.45	24
Vermont	3,972	18	2,525,126	18	5.68	1
Virgin Islands	372	28	317,635	27	5.08	3
Virginia	195	30	53,686	31	.01	31
Washington	4,422	16	1,400,000	24	.41	25
West Virginia	1,649	25	500,000	25	.29	26
Wisconsin	20,720	8	11,085,734	8	2.51	8
Grand Totals	733,569	—	364,204,424	—	2.19	—

Five states and one territory (Alabama, Alaska, Arizona, Guam, Hawaii, and Louisiana) do not have such programs and therefore do not qualify for assistance from the federally funded State Student Incentive Grant Program, which began in 1974. The remaining states' programs were funded but not operational in the fall of 1974.

Source: ISSC Report, April 1975.

and the average monetary award per student in Illinois was $458 higher than in New York and $146 higher than in Pennsylvania.

Two of the important [illegible]tions of the ISSC program -- assisting financially needy students and reducing the effective price of attending a private institution -- have been discussed at length in Chapter III. A third factor, combined with these two, suggests that the ISSC program should continue to be the most important single vehicle for state assistance to nonpublic institutions. Because ISSC support is channeled through the student rather than directly to the institution, and because it is based on financial need, it has been possible for the state to provide substantial support to nonpublic institutions without the burden of extensive administrative mechanisms to assure accountability.

Several adjustments in the ISSC program have been proposed during the course of this study. Some have proposed raising the maximum award from $1,350 (as it stands for FY1975) to $2,000. The ISSC requested and the Board of Higher Education recommended an increase in the maximum award to $1,500 for FY1976 in order to bring the maximum up to 65% of the weighted average tuition in private institutions. In view of the financial stability this study has found in most nonpublic institutions, an increase to $1,500 appears adequate to meet the inflationary pressures of the past year. However, the future impact of inflation on costs and tuition levels in the private sector should be carefully monitored, and adjustments in the ISSC maximum award should be made accordingly.

Others have proposed adjustments in ISSC policies to provide more flexible grants for students enrolled more than half-time but less than full-time and to award grants at the level of need, thus eliminating the practice of providing grants to the highest multiple of $150 below assessed need. The ISSC has already moved toward the latter objective by proposing to make grants in $60 increments. Both of these proposals are desirable as policy matters; the ISSC is urged to explore every feasible means for implementing them.

B. Health Grants

Since 1970 the State of Illinois has provided direct grants for both operating and capital expenses in health programs in private institutions. Although many of these grants go to free-standing professional schools, a substantial portion supports programs in the four-year colleges and universities of this study. Private colleges and universities received $4.4 million in operating grants from this program in FY1974, and a total of $14.0 million in operating grants during the past five years. These programs are treated at length in a separate portion of the Master Plan-Phase IV.

C. The Illinois Financial Assistance Act

In 1971 the General Assembly passed the Illinois Financial Assistance Act which provides direct grants to independent colleges and universities based upon the number of Illinois residents enrolled full-time in undergraduate programs. As originally passed by the General Assembly, this program provided grants of $100 for every ISSC awardee enrolled as a full-time freshman or sophomore and $200 for every Illinois resident who is enrolled full-time as an upper-division student. Subsequent legislative changes in 1974 provided grants of $100 for all Illinois residents enrolled full-time as a freshman or sophomore. For each fiscal year 1972 through 1975, $6.0 million was appropriated for this program. The change in the formula passed in 1974 requires additional funds to achieve full funding, and $7.2 million was recommended by the Illinois Board of Higher Education for FY1976.

The direct grants of this program were proposed by the McConnell Commission to provide a financial cushion which would allow private institutions to improve faculty salaries, libraries, physical plants, and other aspects of their program. Although there are no restrictions on these grants, the evidence of this study shows that significant progress has been made toward these objectives. During this period the direct grants have become an important component in the financial base of Illinois' private colleges and universities.

While it is strongly recommended that the ISSC continue to be the principal means of state support, the direct grant program should be continued and increased to the extent warranted by cost inflation in the nonpublic sector.

An additional change in the formula is recommended which will require some growth in the grant program. Currently grants are provided only for full-time students at the undergraduate level who are Illinois residents. The emphasis on undergraduate education and Illinois residents should continue. However, increasing numbers of students are attending college on a part-time basis; the contribution of nonpublic institutions to the education of these students should be recognized in the grant formula.

There are several technical problems and policy issues involved in this proposal. First, there appears to be substantial variation in the practice of classifying part-time students in private institutions. In the fall of 1974, private institutions reported 4,639 FTE part-time students at the undergraduate level and 3,042 FTE unclassified part-time students. However, some institutions report all part-time students as unclassified; others classify all part-time students as graduates or undergraduates. Second, an analysis performed as part of this study revealed that the average credit hour load of a full-time student in private institutions is 15 credit hours, while the overall average credit hour load of one FTE part-time student as calculated by most institutions is 12 credit hours. A consistent method of classifying part-time students and a procedure which equalizes support for full-time and part-time students must be developed. Finally, there is a need to develop procedures to assure that support for part-time students does not provide significant public subsidies for activities which should rightfully be supported entirely by the student. Such activities include leisure-time study, recreational courses, and other study which would normally be classified as non-degree credit.

Basing the direct grant program on full-time equivalent students will provide a more equitable distribution of funds and require an increase in the total grant program to approximately $8.0 million in FY1977 at a funding level of $100 for lower division students and $200 for upper division students. An increase on this scale is warranted by cost inflation since the inception of the program in FY1972. In subsequent years the level of grants should be permitted to increase above $100 and $200 to offset inflationary increases in cost.

D. The Extent of State Assistance to Nonpublic Institutions.

Table V.3 displays the growth of the ISSC awards, operating grants for health programs, and direct assistance grants to nonpublic institutions during the period FY1970 to FY1976. Table V.4 shows the extent to which direct assistance grants and ISSC awards supported the total educational and general expenses of individual institutions in FY1974. From these tables it is clear that the assistance provided by the State of Illinois is a critical element of the financial base of most independent colleges and universities. State assistance has reached a level which should be sufficient to maintain the strength of the nonpublic sector, provided that moderate increases to meet inflationary costs are supplied in the years ahead.

Table V.3

Growth in State Expenditures for Nonpublic Higher Education, FY1970 to FY1976
(In Thousands of Dollars)

	FY1970	FY1971	FY1972	FY1973	FY1974	FY1975	FY1976
Illinois State Scholarship Commission	$20,185.3	$23,546.5	$25,948.0	$30,668.5	$32,889.9	$34,627.5*	$40,855.0**
Health Education Grants	1,117.0	1,788.0	3,303.0	3,428.0	4,370.0	5,174.7*	5,426.9**
Illinois Financial Assistance Act Expenditures	--	--	5,314.5	5,828.9	5,896.1	6,000.0	7,200.0**
Total	$21,302.3	$25,334.5	$34,565.5	$39,925.4	$43,156.0	$45,802.2*	$53,481.9**
Annual % Increase	--	18.9%	36.4%	15.5%	8.1%	6.1%	16.8%
% of Higher Education Operating Expenditures, General Revenue Fund	5.2%	5.3%	7.2%	7.6%	7.5%	7.4%	7.7%**

Notes: Only health grants for operations at private colleges and universities are included. This excludes all capital grants, and operating grants at clinical hospitals and free-standing professional schools.

* Estimated

** IBHE FY1976 budget recommendations.

TABLE V.4

ILLINOIS FINANCIAL ASSISTANCE ACT GRANTS AND ISSC AWARDS AS A PERCENTAGE OF ALL EDUCATIONAL AND GENERAL EXPENDITURES AT NONPUBLIC INSTITUTIONS IN ILLINOIS

INSTITUTION NAME	STATE GRANT FY1974 ($000)	ISSC TOTAL FY1974 ($000)	ISSC PLUS STATE GRANT FY1974	STATE* AID % OF E&G EXPENSE
Bradley University	$ 394	$1,829	$2,223,000	20.87
DePaul University	545	3,066	3,611,000	24.42
Illinois Institute of Tech.	185	877	1,062,000	7.73
Illinois Wesleyan University	190	1,086	1,276,000	24.64
Lewis University	229	1,220	1,449,000	31.80
Loyola University	658	3,420	4,078,000	11.96
Millikin University	151	804	955,000	23.63
Northwestern University	303	1,488	1,791,000	2.12
Roosevelt University	293	1,818	2,111,000	19.98
Chicago, University of	95	451	546,000	0.52
Augustana College	237	1,243	1,480,000	27.33
Aurora College	72	380	452,000	22.01
Barat College	43	185	228,000	12.62
Blackburn College	50	314	364,000	32.84
College of St. Francis	73	300	373,000	22.38
Columbia College	70	462	532,000	31.84
Concordia Teachers College	40	128	168,000	5.22
Elmhurst College	189	921	1,110,000	28.44
Eureka College	52	270	322,000	27.82
George Williams College	55	309	364,000	14.76
Greenville College	56	334	390,000	20.73
Illinois College	74	317	391,000	26.65
Judson College		134		
Knox College	113	667	780,000	17.08
Lake Forest College	41	158	199,000	4.93
MacMurray College	73	481	554,000	22.74
McKendree College	60	342	402,000	31.82
Monmouth College	85	427	512,000	18.77
Mundelein College	96	468	564,000	21.18
National College of Ed.Main Campus	72	435	507,000	12.37
North Central College	92	401	493,000	21.06
North Park College & Theol.Sem.	79	382	461,000	15.03
Olivet Nazarene College	83	352	435,000	15.03
National College of Ed. Urban				
Quincy College	140	824	964,000	36.06
Rosary College	81	398	479,000	17.79
Shimer College	10	60	70,000	9.77
Illinois Benedictine College	95	528	623,000	20.48
St. Xavier College	111	676	787,000	33.43
Trinity Christian College	0	144	144,000	18.62
Trinity College				
Wheaton College	0	235	235,000	3.76
Central YMCA Cmty. College	76	1,445	1,521,000	19.14
Felician College	1	9	10,000	3.38
Kendall College	15	176	191,000	19.31
Lincoln College	17	180	197,000	15.06
MacCormac College	10	114	124,000	39.74
Mallinckrodt College		3		
Springfield College in Ill.	6	132	138,000	19.44

*These percentages do not include health grants. At two or three institutions these grants significantly increase the percentage of expenditure supported by state funds.

CHAPTER VI

THE FUTURE FOR NONPUBLIC HIGHER EDUCATION IN ILLINOIS

Earlier chapters have demonstrated that on the whole the nonpublic sector is a vital, healthy component of higher education in Illinois. Its vitality is due to the initiative and energy of nonpublic institutions, to the generosity of private individuals, and in no small measure to the state support provided through ISSC financial aid programs and various direct grant programs. The increases in state support for nonpublic institutions over the past five years came because legislators, governors, and the Board of Higher Education recognized the substantial public interest in maintaining the viability of independent colleges and universities.

While the evidence indicates that past efforts have succeeded in providing the support required to sustain private institutions, there is nothing to indicate that nonpublic institutions can continue to function effectively without growth in state funds to meet inflationary cost increases and to maintain and improve their services. State assistance is a substantial component of the revenues of nearly every nonpublic institution; it must keep pace with rising costs if the nonpublic sector is to maintain its level of service.

Although continued financial support from the state is essential, the survey of private college and university presidents suggests that another area of concern may be even more critical to the well-being of private institutions. Virtually every president responding to the survey expressed concern that private institutions may be forced to absorb a disproportionate share of the enrollment losses projected nationally for higher education in the coming decade. In view of this concern a closer look at enrollment projections for Illinois is in order.

Figure VI.1 displays degree credit enrollment projections through 1990 developed by the Board of Higher Education staff. These projections are based upon population projections and estimated participation rates. It is apparant from these projections that total enrollment should increase until 1981 and then decline slowly by 1990 to a level somewhat between the 1975 enrollment and the 1981 peak. However, an apparent shift in student interest away from traditional baccalaureate curricula (and a concomitant growth in the enrollment of older students in general studies courses in community colleges) suggests that the overall enrollment projections may well be too optimistic for private liberal arts colleges.

Figure VI.2 displays enrollment projections by type of program for the same fifteen year period. This figure indicates that baccalaureate and occupational curricula should experience a decline in enrollment beginning in 1981 and continuing by 1990 to a level below that of 1975. When baccalaureate enrollment alone is considered, enrollments should be stable, rather than increasing, to 1981 and the extent of decline to 1990 will probably be greater. (State of Illinois Board of Higher Education, Master Plan-Phase IV

Figure VI.1

Illinois Fall Term Degree Credit Enrollments
Actual, 1968 to 1974; and Projections, with Two Percent Error Factor, 1975 to 1990

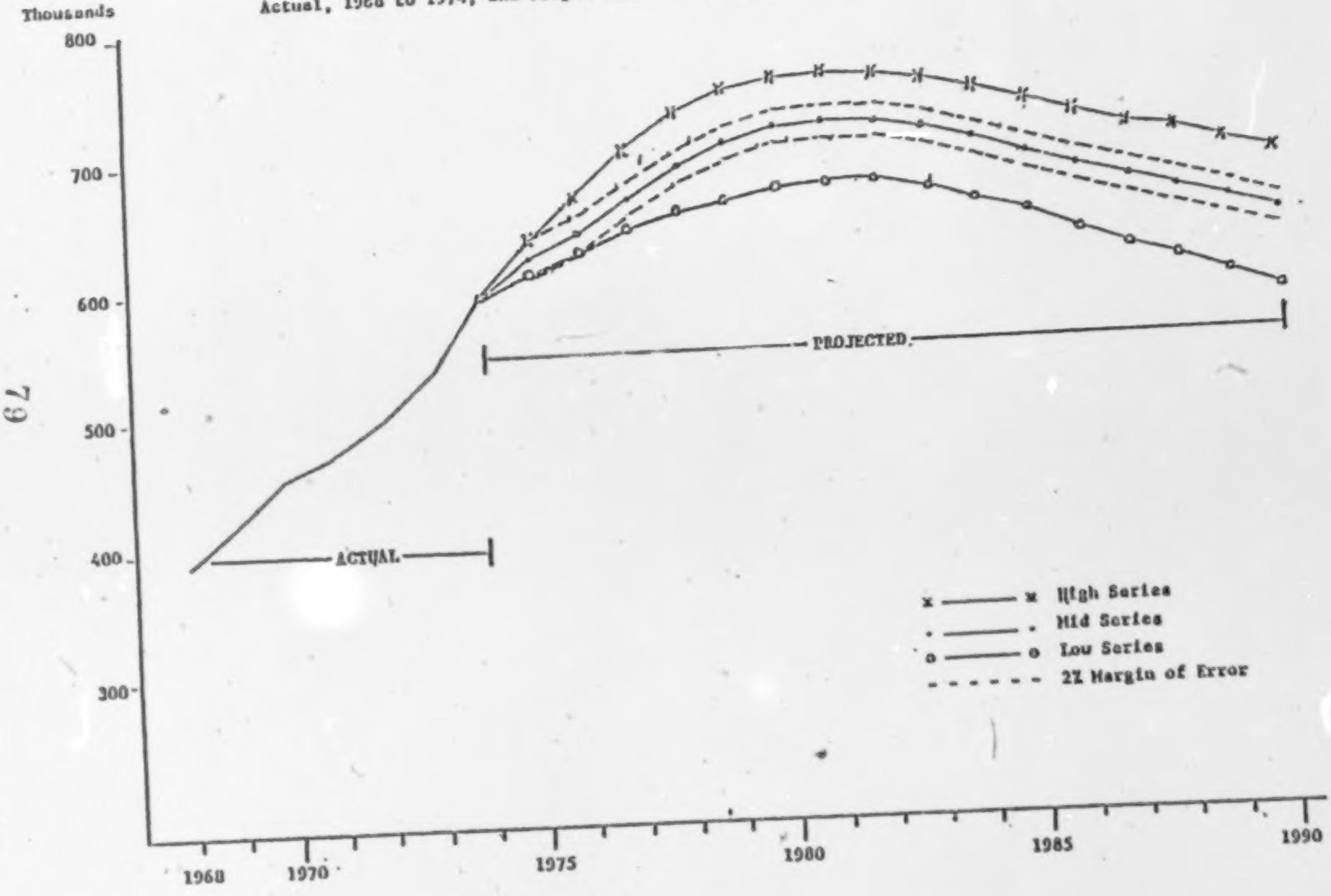
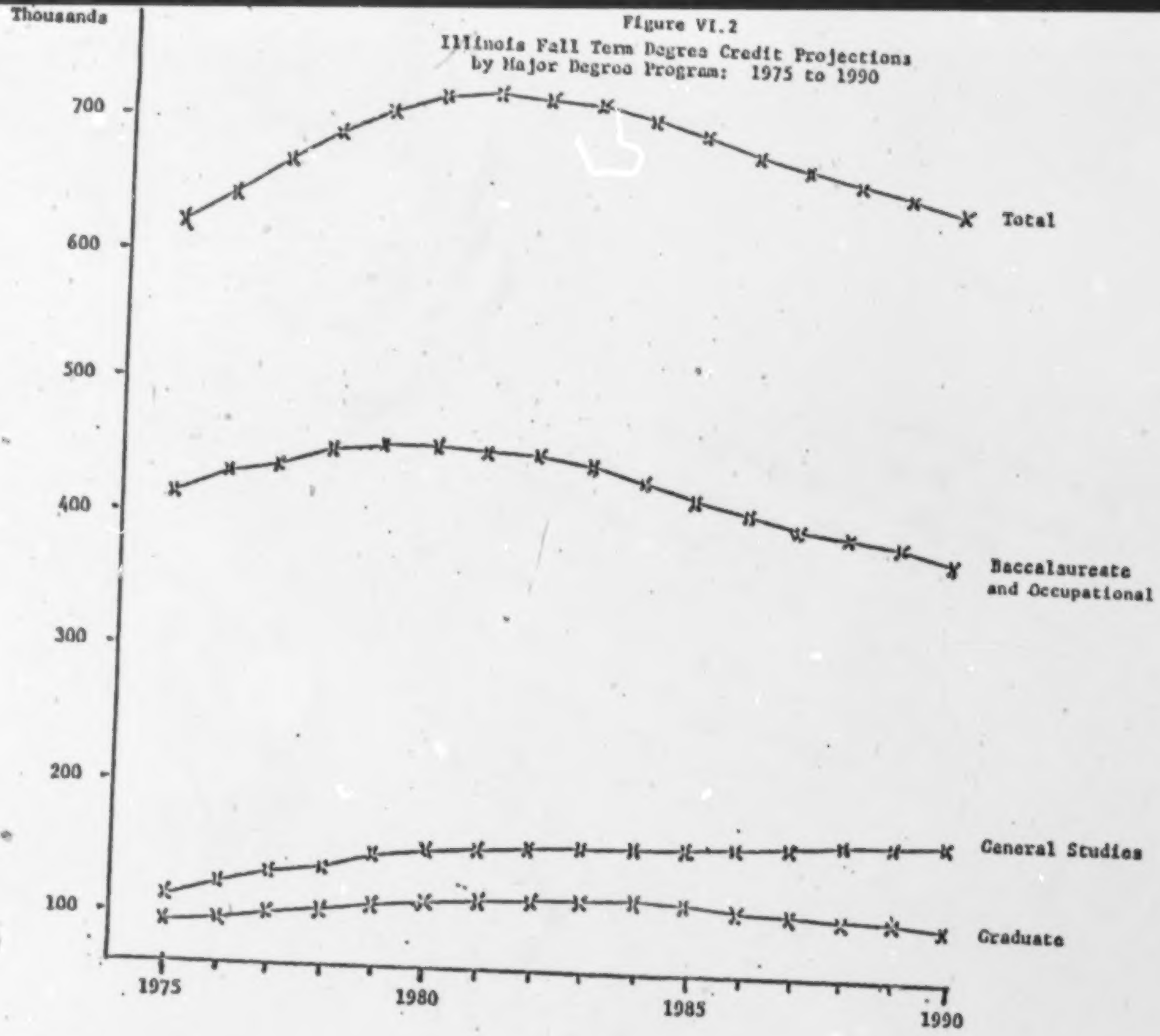


Figure VI.2
Illinois Fall Term Degree Credit Projections
by Major Degree Program: 1975 to 1990



Staff Report on Enrollment Projections, April, 1975).

The implications of these projections for individual institutions are clear. Consequently, the most vital, aggressive institutions are casting about for new student markets by developing new curricula and by seeking ways of providing services to expanded constituencies. Although there is something to commend in the initiative shown by public universities seeking to establish upper-division programs on community college campuses or attempting to develop graduate programs in the Chicago area, these efforts will not serve the public interest if they duplicate existing programs in the nonpublic sector. Needless incursions on the enrollment base of nonpublic institutions threaten their viability and require unnecessary expenditures of public funds. Moreover, if such duplication is not restrained, the conflicts which will inevitably arise over "territorial rights" could well prove damaging to all of higher education, both public and private.

In addition to the need to protect existing sources of enrollment, nonpublic institutions should also be able to compete on equal terms for new students. As a minimum this requires that financial aid through ISSC and other sources continue to be sufficient to offset the "tuition gap" for needy students. It also requires that emerging as well as existing programs in the nonpublic sector be considered in the Board of Higher Education's review of new program requests.

For these reasons the Board of Higher Education should more fully integrate the programs and services of the nonpublic sector into its consideration of the needs of higher education in Illinois. New program proposals should be approved only if compelling need and the unavailability of the program in both public and nonpublic institutions are demonstrated. Moreover, existing duplication of services should be eliminated wherever possible by encouraging sharing of facilities and cooperative use of faculty resources. Contractual arrangements such as those involving community colleges and certain private institutions may be desirable at other locations, and similar contracts could be developed to provide for shared faculty appointments, graduate libraries, or other resources. Although cooperative arrangements cannot solve every problem, interinstitutional cooperation may help resolve some of the more difficult territorial disputes.

A greater flow of information and communication from independent colleges and universities to the Board of Higher Education is necessary to avoid unnecessary duplication of services and to achieve increased coordination of effort between public and nonpublic institutions. In Minnesota the state coordinating agency routinely receives and makes recommendations concerning new program proposals in nonpublic institutions. A mechanism this formal and, to some perhaps, threatening may not be necessary, but routine procedures for providing program as well as financial information from nonpublic institutions to the Board of Higher Education would help the Board consider fully all sectors of higher education in its decisions. Such procedures can also provide useful guidance for nonpublic institutions considering new program development or the evaluation of existing programs.

Orderly growth in state financial support for nonpublic institutions and the coordination of program development in all of higher education should be sufficient to assure the continued viability of most independent colleges and universities. However, this study has revealed some institutions which have accumulated significant deficits despite growth in state assistance. Their location, declining demand for their academic curricula, and a host of related factors contribute to their financial difficulties. Moderate or even large increases in state assistance would not be sufficient to eliminate the deficits in all of these institutions. If increases in the current per student formulas were designed to solve the financial problems of all these institutions, the size of the increase required would far exceed the needs of the nonpublic sector as a whole as well as impose an undue burden on the taxpayer.

It is certainly possible that a few of these institutions may not survive the next ten years, but a judicious modification of curricular and administrative practices, slightly increased student/faculty ratios, and/or the development of cooperative programs with public community colleges or other institutions could provide sufficient resources to preserve them all. There is a strong case for public participation in such efforts to preserve these institutions, but if government assumes the lion's share of the responsibility for maintaining a nonpublic college its identity as an independent institution is jeopardized. Strong institutional initiative is absolutely essential if these institutions are to recover financial stability.

APPENDIX A

NONPUBLIC INSTITUTIONS IN ILLINOIS

Private Senior Universities

Bradley University
DePaul University
Illinois Institute of Technology
Illinois Wesleyan University
Lewis University
Loyola University of Chicago
Millikin University
Northwestern University
Roosevelt University
The University of Chicago

Private Senior Colleges

Augustana College
Aurora College
Barat College
Blackburn College
College of St. Francis
Columbia College
Concordia Teachers College
DeLourdes College
Elmhurst College
Eureka College
George Williams College
Greenville College
Illinois Benedictine College
Illinois College
Judson College
Knox College
Lake Forest College
McKendree College
MacMurray College
Midwest College of Engineering
Monmouth College
Mundelein College
National College of Education
National College of Education
  Urban Campus
North Central College
North Park College
Olivet Nazarene College
Parks College of Aeronautical
  Technology of St. Louis
Principia College
Quincy College

Private Senior Colleges (continued)

Rockford College
Rosary College
Saint Xavier College
Shimer College
Spertus College of Judaica
Trinity Christian College
Trinity College
Wheaton College

Private Junior Colleges

Central YMCA Community College
Chicago Technical College
Felician College
Kendall College
Lincoln College
MacCormac College
Mallinckrodt College
Springfield College in Illinois

Private Professional Schools

Chicago College of Osteopathy
Chicago-Kent College of Law
The Chicago Medical School
Illinois College of Optometry
Illinois College of Podiatric Medicine
John Marshall Law School
National College of Chiropractic
Rush-Presbyterian-St. Luke's Medical Center

Other Private Institutions

Aero-Space Institute
American Academy of Art
American Conservatory of Music
Chicago Academy of Fine Arts
Chicago Conservatory College
DeVry Institute of Technology
School of the Art Institute of Chicago
Sherwood Music School
VanderCook College of Music

Theological Schools

- Jesuit School of Theology (Bellarmine)
- Bethany Theological Seminary
- Catholic Theological Union
- Chicago Theological Seminary
- Concordia Theological Seminary
- Garrett-Evangelical Theological Seminary
- Hebrew Theological College
- Lincoln Christian College
- Lutheran School of Theology at Chicago
- McCormick Theological Seminary
- Meadville Theological School
- Moody Bible Institute
- Northern Baptist Theological Seminary
- Saint Mary of the Lake Seminary
- Seabury-Western Theological Seminary

APPENDIX B

Procedures of the Study

An important objective of this study was to obtain the best available information concerning nonpublic higher education in Illinois without imposing an impossible burden of data gathering upon individual institutions. For these reasons the bulk of the data used in the study came from existing reports. A questionnaire was designed to obtain information unavailable from existing sources.

The source of financial data used was the USOE's Higher Education General Information Survey (HEGIS). These surveys were obtained on magnetic tape through Systems Research, Inc., the consulting firm which provided much of the computer software utilized. The data contained on the tape were verified through a systematic examination of the HEGIS forms submitted by institutions through the IBHE. Very few errors were found in the verification process.

All of the sources of data reviewed are listed in the following copy of the questionnaire sent to private institutions.

AUG. 26TH 1818

State of Illinois
BOARD OF HIGHER EDUCATION

500 REISCH BUILDING
119 SOUTH FIFTH STREET
SPRINGFIELD, ILLINOIS 62701
(217) 782-[illegible]

DONALD M. PRINCE
Chairman

JAMES M. FURMAN
Executive Director

March 14, 1975

Dear President:

We wrote to you last fall about our intent as part of Master Plan Phase IV to update the study of private higher education conducted by the McConnell Commission five years ago. We are writing now to request your cooperation in the data-gathering phase of that effort.

As indicated earlier, we have worked to obtain as much data as possible from existing sources rather than impose a lengthy questionnaire on private institutions. Attachment A to this letter is a list of data we have obtained and intend to use. If, to your knowledge, data on this list contain systematic errors or in some way misrepresent conditions at your institution we would be grateful for a letter indicating where errors or misrepresentations occur and how we might correct the data base. We are keenly aware of the limitations as well as the strengths of quantitative data analysis, and we want to minimize these limitations to the extent possible in this study.

Attachment B is a brief questionnaire which has been written with the guidance of the Board's Nonpublic Advisory Committee to obtain data unavailable from other sources and to provide specific information needed for the Advisory Committee's consideration of proposed modifications to the Illinois Financial Assistance Act. We hope you and your staff will be able to give this questionnaire prompt, careful attention. In order to expedite the completion of our study we request that you respond to the questionnaire by March 31, 1975. If unavoidable circumstances delay your response please call Dr. Paul Lingenfelter of our staff (217/782-3632) to help us plan accordingly.

In addition to the questionnaire response, we would be pleased to receive any long-range planning documents you now have on file and any suggestions you may have for improving our study.

Much of the data used in this study is already in the public domain and certain data elements may be published in an appendix to the study. If you wish certain data (particularly responses to the questionnaire) to be kept confidential please contact Dr. Lingenfelter. We do not intend to publish detailed analyses of individual institutions, but we will provide an institutional profile for your private use which will compare data for your college with statewide averages.

We realize that several members of your staff are likely to complete various parts of this questionnaire. However, particularly because the open-ended questions in the final section require significant personal judgment, we ask that you, the chief executive officer of your institution, review your institution's response and indicate your approval on the final page.

Thank you very much for your cooperation in this effort. We will report our progress to you as the study proceeds.

Sincerely,

Richard D. Wagner
Deputy Director
Financial Planning and Analysis

Enclosures

ATTACHMENT A

Sources of Data to be Used in the Board of Higher Education Study of Private Higher Education in Illinois

Please review this list and comment if to your knowledge these sources contain specific errors or misleading data pertaining to your institution.

I. AAUP Faculty Compensation Studies

- A. Number of full-time faculty, 1970-71, 1973-74.
- B. Average compensation by rank, 1970-71, 1973-74.
- C. Percentage of compensation allocated to fringe benefits, 1970-71, 1973-74.

II. HEGIS Reports

- A. Financial Data, Fiscal Years 1970 to 1974.

III. Office of Civil Rights Reports on Minority Enrollments

- A. Minority enrollments, Fall 1974 as published in the Chronicle of Higher Education.

IV. Froehlich Enrollment Reports, University of Illinois

- A. FTE enrollment by level of instruction, Fall 1969 to Fall 1972.

V. ISSC Annual Reports

- A. Awards to students, number and amount.
- B. Family income of awardees.
- C. Tuition.
- D. Total student costs.

VI. Higher Education Facilities Commissions Inventory

- A. Available square footage.
- B. Condition of space.

VII. Board of Higher Education Files

- A. Grants from the Illinois Financial Assistance Act.
- B. Number of full-time Illinois resident undergraduate students.
- C. Space survey.
- D. Enrollment data, Fall 1973, Fall 1974.

ATTACHMENT B

Questionnaire for Private Institutions

The following brief questionnaire has been prepared to supplement the data we have obtained from other sources. Many of the questions request numerical data from your files. We ask that actual records be used to answer these wherever possible; if actual data are not available please provide estimated data marked with an asterisk (*).

The final series of open-ended questions is intended to acquire information which cannot readily be obtained in quantitative form. Please feel free to respond as expansively or as briefly as may be necessary to convey an accurate representation of the financial and academic condition of your institution. Responses to these questions may be written on separate pages if you so desire.

If you wish to discuss specific conditions at your institution at greater length or to ask questions regarding this questionnaire or the study in general, please contact Dr. Paul E. Lingenfelter at 217/782-3632.

Please return the questionnaire and any supplementary documents in the enclosed envelope by March 31. If unavoidable circumstances delay your reply please call Dr. Lingenfelter to help us plan accordingly.

Thank you very much for your cooperation. We appreciate the effort your response will require.

I. Faculty Characteristics

A. How many full-time-equivalent instructional faculty (excluding medical and dental school faculty) were employed by your institution during the fiscal years listed? Please include all faculty at every level of instruction. One FTE faculty should be defined in keeping with your institutional policies covering the workload of a full-time professor. Administrators above the department chairman level who teach should be considered part-time faculty and weighted according to their course load. Faculty members whose time is divided between teaching and sponsored research should be counted only to the extent of their instructional load. Full-time faculty members whose time is divided between teaching and institutionally funded research are considered full-time teaching faculty. Mark any estimated numbers with an asterisk (*).

	1969-70	1970-71	1971-72	1972-73	1973-74	1974-75
Number of FTE faculty	______	______	______	______	______	______

B. What percentage of your instructional faculty members (both full-time and part-time excluding full-time administrators) had an earned doctorate during the academic year 1969-70? ______%. What percentage currently hold an earned doctorate? ______%.

C. What percentage of your full-time instructional faculty had tenure in 1969-70? ______%. What percentage of your full-time instructional faculty now have tenure? ______%.

D. What percentage of your faculty and other professional staff contribute their services to your institution? ______%. Please estimate the total value of faculty and administrative services contributed to your institution in the academic year 1973-74. $__________.

How have contributed services been treated on your HEGIS reports?

1) Estimated value counted as revenue and expense?
2) Not considered as revenue or expense.
3) Other (please explain).

II. Student Characteristics

A. Please complete the following table of information concerning undergraduate applications (both transfer and freshman) for the fall terms listed. Actual data from your files is requested whenever possible. If only estimates are available, please mark each estimate with an asterisk (*).

Undergraduate Applications

	Fall 1969	Fall 1970	Fall 1971	Fall 1972	Fall 1973	Fall 1974
Number of fully completed applications						
Number of admissions						
Number of admissions who enrolled						

	Fall 1974
Number of qualified applicants denied admission because space was unavailable	☐

B. Please provide an academic profile of your entering freshman class for years listed below.

	1969-70	1970-71	1971-72	1972-73	1973-74	1974-75
Median high school class standing (percentile rank in class, e.g., 72 percentile)						
Mean ACT score						
Mean SAT verbal						
Mean SAT math						

If data are unavailable in this form please respond to the following:

What trends have you seen in the academic qualifications of your freshman students over the past five years? (Academic qualification should be defined in terms of aptitude test scores and high school grades.) Please circle.

-3	-2	-1	0	+1	+2	+3
Significantly Weaker	Weaker	Slightly Weaker	No Change	Slightly Stronger	Stronger	Significantly Stronger

Please enclose copies of available profile data which document your assessment.

C. Please provide an unduplicated count of federal grant and loan recipients and the dollar value of awards in these programs at your institution over the past five fiscal years. The Fiscal-Operations Report required by HEW should be the primary source of data.

C1. Federal Aid to Undergraduate Students

		1969-70	1970-71	1971-72	1972-73	1973-74
Unduplicated number of recipients (estimate if necessary)	(#)					
College Work Study funds (federal share)		$	$	$	$	$
BOG (estimated) grants, EOG grants, SEOG grants, traineeships, fellowships, and other federal grants		$	$	$	$	$
Dollar value of NDSL and other federal loans granted		$	$	$	$	$
Total value of federal student aid to undergraduates		$	$	$	$	$

C2. Federal Aid to Graduate Students

		1969-70	1970-71	1971-72	1972-73	1973-74
Unduplicated number of recipients (estimate if necessary)	(#)					
College Work Study funds (federal share)		$	$	$	$	$
Traineeships, fellowships, and other federal grants		$	$	$	$	$
Dollar value of NDSL and other federal loans granted		$	$	$	$	$
Total value of federal student aid to graduate students		$	$	$	$	$

C3. Total Value of Federal Student Aid (sum of total aid to undergraduates and graduate students)

1969-70	1970-71	1971-72	1972-73	1973-74
$	$	$	$	$

III. Library Resources

A. What is the current number of volumes (include books, microfilms, microfiche, periodicals, records, etc. as defined in HEGIS reports) in your library? __________.

B. What have been your expenditures for new acquisitions over the past five fiscal years?

1969-70	1970-71	1971-72	1972-73	1973-74
$	$	$	$	$

C. How many volumes (as defined above) have you acquired over the past five fiscal years?

1969-70	1970-71	1971-72	1972-73	1973-74

IV. Enrollment Projections

A. What are your best estimates of total FTE enrollment at your institution for the coming five years?

	1975-76	1976-77	1977-78	1978-79	1979-80
FTE students					
Headcount students					

B. Do you anticipate significant shifts in the composition of your student body (e.g., proportion of graduate students, off-campus students, part-time students, etc.)? If so, please describe the changes you anticipate.

V. Definitions of FTE Students

The Non-Public Advisory Committee is exploring possible modifications of the Financial Assistance Act to include state grants for part-time students and graduate students. The following questions have been written to provide data required for their study.

A. Please provide a complete statement describing the method your institution uses to calculate full-time-equivalent enrollment for reporting purposes. Include the policies used to classify part-time students in a specific level of instruction or as unclassified students. Finally, please provide the following data for Fall 1974 enrollments as reported in the Illinois Board of Higher Education enrollment survey.

	Full-Time Student	Credit Hours* Elected	Part-Time Students	Credit Hours Elected	FTE Students
Freshmen					
Sophomores					
Juniors					
Seniors					
Unclassified					
Graduate I					
Professional					
Graduate II					

B. Please indicate the number of Illinois residents and the FTE value of their enrollments in the following categories.

	Full-Time Students	Part-Time Students	FTE Students
Freshmen			
Sophomores			
Juniors			
Seniors			
Unclassified			
Graduate I			
Professional			
Graduate II			

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*Use your institutional definition of credit-hour-equivalency if credit hours are not used in institutional records.

VI. General Financial Condition (use separate pages if necessary)

A. Please comment on significant favorable factors affecting the future financial health of your institution.

B. Please comment on significant unfavorable factors affecting the future financial health of your institution.

C. Have actual plans for new programs been cut back, postponed, or permanently set aside for financial reasons during the past five years? If so, please explain.

D. Has your financial condition forced you significantly to modify or eliminate departments, programs, administrative positions, faculty positions, or other aspects of your educational program? If so, please provide details concerning the source of the difficulty, the actions taken, and the reasons the actions were taken.

E. To what extent have financial conditions influenced the quality or scope of your academic program during the past five years? Please give specific examples whenever possible.

F. What actions have been taken at your institution to reallocate resources, increase productivity, or reduce expenditures which have not previously been mentioned?

G. Please describe briefly any specific new programs which have been developed during the past few years at your institution. Include programs which depart from traditional curricula or which provide instruction at locations other than your home campus.

H. Do you have specific or general comments to add which will help convey the current fiscal condition of your institution and its financial and education prospects?

Name of Institution ____________________

Primary Respondent ____________________

Title ____________________

Telephone Number ____________________

I have reviewed and approve the responses to questions in this document.

____
President or Chief Executive Officer

Please send your responses and supporting documents to:

Paul E. Lingenfelter
Assistant Director, Financial Analysis and Planning
Illinois Board of Higher Education
119 South Fifth Street
Springfield, Illinois 62701

BHE 2/7/75

APPENDIX C

Statistical Tables

Appendix C contains several statistical tables developed from the data of this study. These tables provide backup data for many of the summary tables reported in the text.

Table C.1 Fall FTE Enrollment in Nonpublic Institutions, 1969 to 1973

Table C.2 Fall FTE Enrollment in Public Institutions, 1969 to 1973

Table C.3 Faculty Compensation in Illinois Colleges and Universities

A. FY1970 and FY1971
B. FY1974

Table C.4 Faculty Compensation Growth by Institution

A. Private and Public Universities
B. Private Colleges

Table C.5 Faculty Compensation in Illinois by Level of Institutional Complexity and Sector

Table C.6 Total Federal Aid to Students, FY1970-FY1974: Private Colleges and Universities

TABLE C.1

FALL FTE ENROLLMENT IN NONPUBLIC INSTITUTIONS 1969 TO 1973
(Not All Institutions Are Included)

INSTITUTION NAME	TOTAL FTE ENROLLMENT 1969	TOTAL FTE ENROLLMENT 1970	TOTAL FTE ENROLLMENT 1971	TOTAL FTE ENROLLMENT 1972	TOTAL FTE ENROLLMENT 1973
Augustana College	1,871	1,960	2,124	2,153	2,212
Aurora College	918	872	793	823	775
Barat College	632	489	500	484	564
Blackburn College	602	584	612	585	563
Bradley University	5,318	4,923	4,962	4,599	4,430
Central YMCA Cmty. College	2,311	2,364	3,137	3,144	3,453
College of Saint Francis	758	720	681	692	667
Columbia College	603	747	732	841	856
Concordia Teachers College	1,396	1,326	1,272	1,300	1,168
DePaul University	6,684	7,192	7,546	7,605	7,836
Elmhurst College	2,315	2,268	2,171	1,987	1,997
Eureka College	534	505	543	471	428
Felician College	75	120	120	114	155
George Williams College	702	666	772	884	855
Greenville College	742	795	817	873	752
Illinois College	856	839	835	769	730
Illinois Inst. Technology	5,108	4,949	4,691	4,321	4,295
Ill. Wesleyan University	1,657	1,670	1,694	1,704	1,688
Judson College	390	317	318	319	336
Kendall College	913	915	720	553	454
Knox College	1,471	1,465	1,424	1,374	1,178
Lake Forest College	1,317	1,329	1,193	1,067	1,013
Lewis College	1,599	1,624	1,819	2,036	2,193
Lincoln College	690	604	584	493	540
Loyola University	10,509	10,462	10,680	10,451	10,293
MacCormac College	233	201	207	228	166
MacMurray College	930	961	929	865	814
Mallinckrodt College	73	87	97	93	83
McKendree College	487	457	460	486	523
Millikin University	1,608	1,562	1,596	1,465	1,474
Monmouth College	1,288	1,286	1,203	997	916
Mundelein College	1,052	1,127	1,160	1,021	954
National College of Ed.	714	727	945	999	872
North Central College	851	811	889	819	814
North Park C. & Theol. Sem.	1,420	1,228	1,145	1,219	1,224
Northwestern University	12,686	12,444	12,437	12,186	12,433
Olivet Nazarene College	1,616	1,645	1,655	1,624	1,630
Quincy College	1,858	1,950	1,948	1,773	1,476
Rockford College	981	915	973	900	780
Roosevelt University	4,096	4,163	4,232	4,666	4,038
Rosary College	1,035	977	929	997	1,034
Shimer College	298	261	328	261	210
Springfield College In Ill.	465	465	426	450	517
Illinois Benedictine	921	910	957	1,021	1,059
Saint Xavier College	739	826	928	970	1,022
Trinity Christian College	447	475	381	333	305
Trinity College	722	753	741	750	711
University of Chicago	7,930	7,187	7,125	7,475	7,342
Wheaton College	1,878	1,899	2,035	2,034	2,040

TABLE C.2

FALL FTE ENROLLMENT IN PUBLIC INSTITUTIONS, 1969 TO 1973

INSTITUTION NAME	TOTAL FTE ENROLLMENT 1969	TOTAL FTE ENROLLMENT 1970	TOTAL FTE ENROLLMENT 1971	TOTAL FTE ENROLLMENT 1972	TOTAL FTE ENROLLMENT 1973
Eastern Illinois University	7,522	8,278	8,464	8,307	7,716
Illinois State University	13,384	16,099	16,662	16,768	16,512
Northeastern Illinois State Univ.	4,705	5,040	5,333	5,368	5,825
Chicago State College	3,694	4,234	3,997	3,970	4,579
Northern Illinois University	19,265	19,387	19,711	18,130	17,124
Southern Illinois Univeristy-C	21,948	22,625	21,260	19,301	18,043
Southern Illinois Univeristy-E	9,767	11,276	10,874	9,776	9,423
University of Illinois-U	30,666	31,877	30,235	31,818	32,843
University of Illinois-CC	15,703	17,713	18,434	18,887	18,076
Western Illinois Univeristy	10,784	12,827	13,331	13,544	13,753
Sangamon State Univeristy	0	604	1,274	1,763	2,017

TABLE C.3A

FACULTY COMPENSATION IN ILLINOIS COLLEGES AND UNIVERSITIES

INSTITUTION NAME	COMPENSATION PROFESSOR FY1971	COMPENSATION ASSOCIATE PROF. FY1971	COMPENSATION ASSISTANT PROF. FY1971	COMPENSATION INSTRUCTORS FY1971	AV. COMPENSATION FULL-TIME FAC. FY1970
Augustana College	$16,500	$13,500	$11,500	$10,300	$11,790
Aurora College					9,114
Barat College	16,600	13,900	11,700	10,100	11,284
Blackburn College					
Bradley University	17,800	15,700	12,800	10,100	12,930
College of Saint Francis	14,400		10,600	9,100	
Columbia College					
Concordia Teachers College					
DePaul University	18,100	15,300	12,800	10,400	12,582
Eastern Ill. University	19,900	16,600	12,800	9,900	14,017
Elmhurst College	17,600	14,500	11,800	9,500	11,794
Eureka College	14,900	11,700	10,500		10,962
George Williams College	19,100	15,800	12,100		12,508
Greenville College					
Illinois College	16,000	12,400	10,700		11,513
Illinois Inst. Technology	21,500	16,000	12,800	9,700	14,643
Illinois State University	20,200	16,800	13,200	9,700	13,868
Northeastern Ill. University	19,400	15,400	12,600	10,400	13,542
Chicago State University	20,500	16,200	12,900	10,100	13,499
Ill. Wesleyan University	16,700	13,900	11,800	9,900	12,207
Judson College					
Knox College	23,500	16,200	12,700	10,600	14,465
Lake Forest College	24,000	16,500	13,100	10,500	14,526
Lewis College	13,900	13,000	10,600	9,700	9,326
Loyola University					12,789
MacMurray College	16,800	15,300	12,400	9,800	12,665
McKendree College					
Millikin University	16,300	13,700	11,300	9,300	10,458
Monmouth College	18,600	15,200	12,900	10,800	12,617
Mundelein College					
National College of Ed.					
North Central College	15,500	14,000	12,200	10,400	11,965
North Park C. & Theol. Sem.	15,600	11,800	10,200	8,600	10,571
Northern Ill. University					14,407
Northwestern University	20,900	17,000	13,400	9,600	18,767
Olivet Nazarene College					
Quincy College		13,100	11,400	9,400	10,378
Rockford College	16,900		11,300	9,700	12,510
Roosevelt University	18,500	15,100	13,000	9,700	13,914
Rosary College	11,800	11,500	10,200	9,200	9,464
Shimer College					
Southern Ill. University M. Cam.	20,500	16,100	13,400	10,100	14,087
Southern Ill. University Ed.	19,400	15,900	13,400	10,400	14,087
Illinois Benedictine College					
Saint Xavier College		12,100	11,000	9,700	10,063
Trinity Christian College					
Trinity College					
University of Chicago	26,600	18,500	14,400	11,700	19,639
U. of Ill. Urbana Campus	22,200	16,100	13,100	10,600	15,798
U. of Ill. Chicago Circle					
Western Ill. University	20,300	16,400	13,000	10,100	13,209
Wheaton College	15,600	12,500	10,800	8,600	11,284
Sangamon State University		16,600	13,400		

Source: AAUP Bulletin

TABLE C.3B

FACULTY COMPENSATION IN ILLINOIS COLLEGES AND UNIVERSITIES, FY1974

INSTITUTION NAME	COMPENSATION PROFESSOR FY1974	COMPENSATION ASSOCIATE PROF. FY1974	COMPENSATION ASSISTANT PROF. FY1974	COMPENSATION INSTRUCTORS FY1974	AV. COMPENSATION FULL-TIME FAC. FY1974
Augustana College	$20,800	$16,600	$13,700	$11,700	$15,827
Aurora College	14,100	13,200	10,600		12,122
Barat College	16,800	14,800	12,800		14,362
Blackburn College					
Bradley University	20,400	17,000	14,700	13,000	16,387
College of Saint Francis	15,800		13,200	10,100	12,972
Columbia College					
Concordia Teachers College					
DePaul University	23,000	18,500	15,400	12,500	17,610
Eastern Ill. University	21,500	17,600	13,900	10,900	16,700
Elmhurst College	19,900	15,900	13,700		15,570
Eureka College	16,900	13,400	12,200		13,685
George Williams College	21,000	16,800	12,900		16,067
Greenville College					
Illinois College	17,800	14,200	12,000		14,671
Illinois Inst. Technology	24,200	18,400	15,000	12,000	18,366
Illinois State University	22,400	18,400	14,900	11,200	16,978
Northeastern Ill. State Univ.	21,100	16,700	13,900	12,200	16,560
Chicago State University	22,600	17,600	14,600	11,800	16,726
Ill. Wesleyan University	20,700	16,600	13,800	12,000	15,810
Judson College					
Knox College	23,200	16,600	13,600	11,300	16,926
Lake Forest College	25,000	18,800	13,600	10,900	18,291
Lewis College	18,700	15,600	13,700	11,800	14,141
Loyola University	21,200	17,700	14,600	12,200	16,208
MacMurray College	18,800	16,400	12,900		15,960
McKendree College					
Millikin University	18,800	15,000	12,300	9,700	13,510
Monmouth College	19,400	15,200	13,200	11,500	15,253
Mundelein College					
Nat'l College of Education					
North Central College	17,200	15,400	13,300		14,818
North Park C. & Theol. Sem.	18,100	14,200	12,000	9,400	13,236
Northern Ill. University	23,500	18,800	14,800	11,000	18,225
Northwestern University	29,000	19,900	16,100	12,400	22,317
Olivet Nazarene College					
Quincy College	16,700	14,400	12,600	10,700	13,489
Rockford College	20,600	15,800	13,100	10,900	14,775
Roosevelt University	21,200	17,400	14,600	11,200	17,419
Rosary College		15,200	12,800		
Shimer College					13,636
Southern Ill. Univ. Main Cam.	22,400	17,500	14,800	11,700	17,079
Southern Ill. Univ. Edwardsvl.	22,000	17,900	14,700	11,800	17,215
Illinois Benedictine College		15,700	12,000		13,902
Saint Xavier College		15,500	13,000	11,100	13,424
Trinity Christian College			13,500		
Trinity College					
University of Chicago	30,700	20,800	16,600	13,300	24,090
U. of Ill. Urbana Campus	25,300	18,300	15,100	12,200	19,607
U. of Ill. Chicago Circle					
Western Ill. University	22,000	17,200	14,500	11,100	16,290
Wheaton College	17,800	15,000	13,000		15,106
Sangamon State University	23,600	19,000	15,100		17,627

Source: AAUP Bulletin

TABLE C.4a

FACULTY COMPENSATION GROWTH BY INSTITUTION

(Private and Public Universities)

Institution Name	% Gain Prof. 1971-1974	% Gain Assoc. 1971-1974	% Gain Asst. Prof. 1971-1974	% Gain Instr. 1971-1974	% Gain Aver. Comp. 1970-1974	Average Compensation Full-Time Fac. FY 1970	Average Compensation Full-Time Fac. FY 1974
Bradley University	14.61	8.20	14.84	28.71	26.74	12,930	16,387
DePaul University	27.07	20.92	20.31	20.19	39.96	12,582	17,610
Illinois Inst. Technology	13.56	15.00	17.19	23.71	25.43	14,643	18,366
Ill. Wesleyan University	23.95	19.42	16.95	21.21	29.52	12,207	15,810
Lewis College	34.53	20.00	29.25	21.65	51.63	9,326	14,141
Loyola University					27.36	12,789	16,288
Millikin University	15,34	9.49	8.85	4.30	29.18	10,458	13,510
Northwestern University	38.76	17.07	20.15	29.17	18.92	18,767	22,317
Roosevelt University	14.59	15.23	12.31	15.46	25.19	13,914	17,419
University of Chicago	15.41	12.43	15.28	13.68	22.66	19,639	24,090
Eastern Ill. University	8.04	6.02	8.59	10.10	19.14	14,017	16,700
Illinois State University	10.89	9.52	12.08	15.46	22.43	13,868	16,978
Northeastern Ill. Univ.	8.76	8.44	10.32	17.31	22.29	13,542	16,560
Chicago State University	10.24	6.64	13.18	16.83	23.91	13,499	16,726
Northern Ill. University					26.50	14,407	18,225
Southern Ill. Univ. Main Cam.	9.27	8.70	10.45	15.84	21.24	14,087	17,079
Southern Ill. Univ. Edwardsvl.	13.40	12.58	9.70	13.46	22.20	14,087	17,215
Univ. of Ill. Urbana Campus	13.96	13.66	15.27	15.09	24.11	15,798	19,607
Univ. of Ill. Chgo. Circle							
Western Illinois University	8.37	4.88	11.54	9.90	23.33	13,209	16,290
Sangamon State University		14.46	12.69				17,627

TABLE C.4b

FACULTY COMPENSATION GROWTH BY INSTITUTION
(Private Colleges)

Institution Name	% Gain Prof. 1971-1974	% Gain Assoc. 1971-1974	% Gain Asst. Prof. 1971-1974	% Gain Instr. 1971-1974	% Gain Aver. Comp. 1971-1974	Average Compensation Full-Time Fac. FY 1971	Average Compensation Full-Time Fac. FY 1974
Augustana College	26.06	22.96	19.13	13.59	34.24	11,790	15,827
Aurora College						9,114	12,122
Barat College	1.20	6.47	9.40		27.28	11,284	14,362
Blackburn College							
College of Saint Francis	9.72		24.53	10.99			12,972
Columbia College							
Concordia Teachers College							
Elmhurst College	13.07	9.66	16.10		32.02	11,794	15,570
Eureka College	13.42	14.53	16.19		24.84	10,962	13,685
George Williams College	9.95	6.33	6.61		28.45	12,508	16,067
Greenville College							
Illinois College	11.25	14.52	12.15		27.43	11,513	14,671
Judson College							
Knox College	-1.28	2.47	7.09	6.60	17.01	14,465	16,926
Lake Forest College	4.17	13.94	3.82	3.81	25.92	14,526	18,291
MacMurray College	11.90	7.19	4.03		26.02	12,665	15,960
Monmouth College	4.30		2.33	6.48	20.89	12,617	15,253
Mundelein College							
National College of Ed.							
North Central College	10.97	10.00	9.02		23.84	11,965	14,818
North Park C. & Theol. Sem.	16.03	20.34	17.65	9.30	25.21	10,571	13,236
Olivet Nazarene College							
Quincy College		9.92	10.53	13.83	29.98	10,378	13,489
Rockford College	21.89		15.93	12.37	18.11	12,510	14,775
Rosary College		32.17	25.49			9,464	
Shimer College							
Illinois Benedictine College		28.10	18.18	14.43	33.40	10,063	13,424
Saint Xavier College							
Trinity Christian College							
Trinity College							
Wheaton College	14.10	20.00	20.37		33.87	11,284	15,106

TABLE C.5

FACULTY COMPENSATION IN ILLINOIS BY LEVEL OF INSTITUTIONAL COMPLEXITY AND SECTOR

	Public Institutions			Private Institutions		
	Average Compensation FY1970	Average Compensation FY1974	% Gain*	Average Compensation FY1970	Average Compensation FY1974	% Gain*
Doctoral Granting	$14,540	$17,972	23.6	$16,460	$20,265	23.6
Masters Granting	13,671	16,698	22.2	11,903	15,813	33.7
Bachelors Granting	--	--	--	11,637	14,796	27.1

* The percentage gain reported in the average of individual institution's compensation increase, not the increase in average compensation for the entire category.

TABLE C.6

TOTAL FEDERAL AID TO STUDENTS, FY1970-FY1974
-PRIVATE COLLEGES AND UNIVERSITIES-

Undergratuate:		FY1970	FY1971	FY1972	FY1973	FY1974
Recipients		12,659	13,925	16,312	17,290	15,708
	(n)	(36)	(37)	(39)	(39)	(39)
Work Study		$1,616,025	$2,078,262	$2,799,909	$2,600,537	$1,918,509
	(n)	(29)	(32)	(34)	(34)	(36)
Grants		$3,401,897	$3,477,100	$3,565,145	$3,991,310	$4,255,517
	(n)	(36)	(37)	(39)	(39)	(42)
Loans		$6,119,132	$7,638,510	$8,428,133	$9,609,796	$8,799,838
	(n)	(35)	(37)	(39)	(39)	(39)
Total Undergraduate		$11,112,229	$13,208,841	$14,435,757	$15,204,147	$16,250,271
	(n)	(36)	(37)	(39)	(39)	(41)
Graduate:						
Recipients		3,333	3,589	5,587	5,911	5,427
	(n)	(10)	(11)	(12)	(11)	(12)
Work Study		$46,872	$57,537	$126,338	$1,202,132	$1,107,715
	(n)	(5)	(6)	(7)	(7)	(8)
Grants		$5,914,403	$6,312,110	$9,263,520	$6,763,329	$5,306,095
	(n)	(6)	(7)	(8)	(8)	(8)
Loans		$2,479,185	$2,868,202	$5,014,749	$5,866,161	$6,899,800
	(n)	(10)	(10)	(11)	(10)	(11)
Total Graduate		$8,608,460	$9,434,246	$14,590,342	$14,028,847	$13,370,095
	(n)	(10)	(11)	(12)	(11)	(12)

Note: Both two year and four year institutions are included. Comparisons from year to year are difficult due to the number of institutions with no report on various years.

(n) Signifies the number of institutions reporting data each year

APPENDIX D
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